

# The NATIONAL UNDERWRITER



We in America today are truly thankful that ours is a land of plenty! As we once more celebrate a national holiday in the traditional manner, we become increasingly conscious of privileges that have come to mean "The American Way of Life." ¶ The course of events in other nations has stirred us into realization of responsibilities as well as privileges! Each of us has a job to do in maintaining our benefits—and each of us must pay for them in honest toil of mind and body. ¶ Insurance agents have been quick to contribute their efforts by advocating adequate protection for American homes and industries. Their job of safeguarding the country against unforeseen catastrophes is closely woven into the fabric of national security. ¶ Crum & Forster companies are offering agents every possible cooperation in this enormous task!



## CRUM & FORSTER

MANAGERS

110 WILLIAM STREET • NEW YORK, N. Y.

United States Fire Insurance Co.  
The North River Insurance Co.  
Westchester Fire Insurance Co.  
The Allemannia Fire Insurance Co. of Pittsburgh

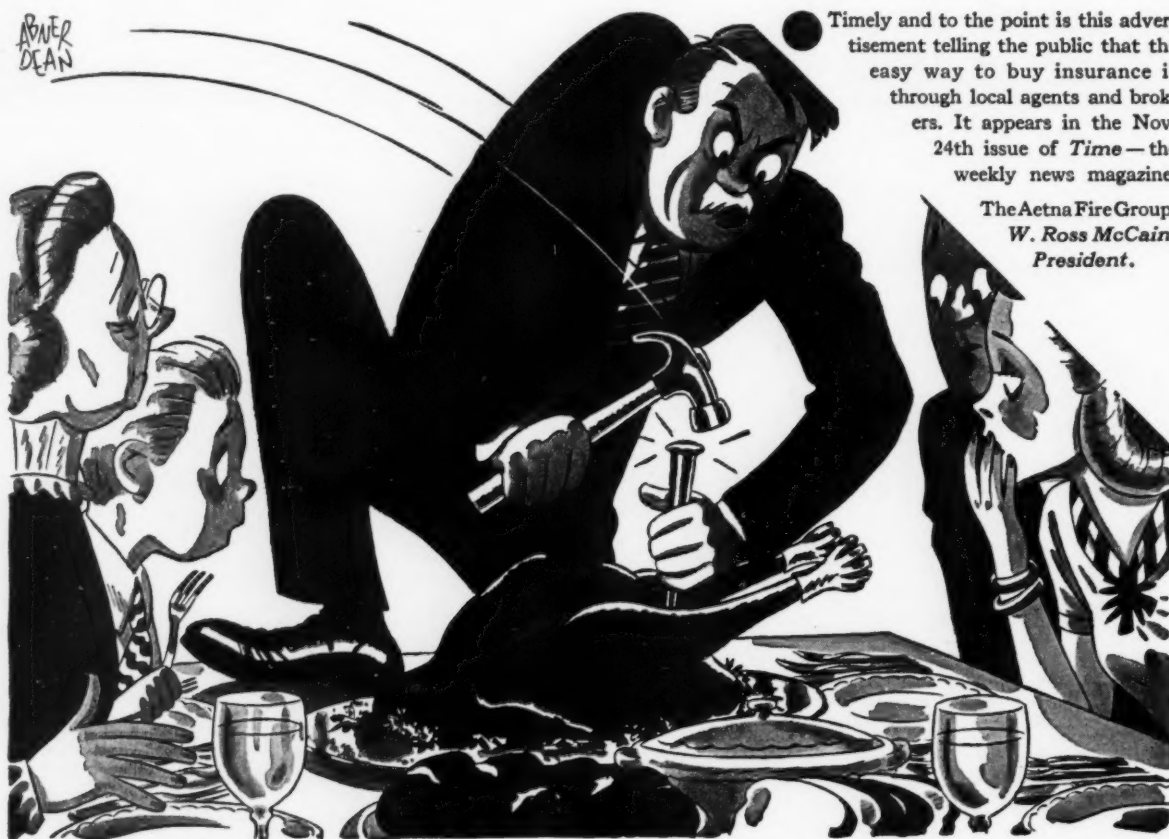
Organized 1824  
Organized 1822  
Organized 1837  
Organized 1868

Richmond Insurance Co.  
Western Assurance Co., U. S. Branch  
British America Assurance Co., U. S. Branch  
Southern Fire Insurance Co., Durham, N. C.

Organized 1836  
Incorporated 1851  
Incorporated 1833  
Incorporated 1923

WESTERN DEPT., FREEPORT, ILL. • PACIFIC DEPT., SAN FRANCISCO • SOUTHERN DEPT., ATLANTA • ALLEGHENY DEPT., PITTSBURGH • CAROLINAS DEPT., DURHAM, N. C.

THURSDAY, NOVEMBER 20, 1941



Timely and to the point is this advertisement telling the public that the easy way to buy insurance is through local agents and brokers. It appears in the Nov. 24th issue of *Time*—the weekly news magazine.

The Aetna Fire Group.  
W. Ross McCain,  
President.

## Why do it the hard way?

*In buying insurance—just as in carving a turkey—there is an easy way and a hard way. And the easy way is to consult your local agent or broker.*

• • •

If, for example, you are wondering whether to increase the fire insurance on your home or business property because building costs have gone up, talk it over with your local agent. If you want your insurance to pay the rent of temporary quarters in event of fire, your local agent can quickly modernize your policy accordingly.

To enable you to have such changes made on an instant's notice—to assure prompt action in case of loss—the Aetna Fire Group sell only through reliable local agents.

• • •

It also contributes to your peace of mind to know that insurance with a capital stock company is backed by both a paid-in capital and surplus. You are never liable for assessment.

**Don't Guess About Insurance  
— CONSULT YOUR LOCAL  
AGENT OR BROKER**



**THE AETNA FIRE GROUP**  
HARTFORD, CONNECTICUT  
New York, Chicago,  
San Francisco, Charlotte, N. C., Toronto, Can.



WARS	CONFLAGRATIONS	DEPRESSIONS
1846 Mexican War	1835—New York City 1845—New York City 1851—San Francisco	1819 1837 1843
1861 Civil War	1866—Portland, Me. 1871—Chicago 1872—Boston	1857 1873 1873
1898 Spanish-American War	1877—St. John, N.B. 1889—Seattle, Spokane 1901—Jacksonville, Fla.	1893 1907 1921
1917 World War	1904—Baltimore 1906—San Francisco 1908—Chelsea 1914—Salem	1929

*Since 1819*

through conflagrations, wars and financial depressions, no policyholder has ever suffered loss because of failure of the

**Aetna**  
to meet its obligations.



On the field .....  
or in business ....  
**Teamwork PAYS!**

PRODUCERS who have "teamed-up" with Ætna . . . who are taking full advantage of Ætna's many educational facilities and who are making consistent use of Ætna's effective sales and advertising aids . . . these producers are increasing their volume of business, are gaining new clients . . . and ARE MAKING MORE MONEY

*It Pays To Be An Ætna-izer!*

*It Pays To Be Ætna-ized!*

**The Ætna Casualty and Surety Company**

THE ÆTNA LIFE INSURANCE COMPANY • THE STANDARD FIRE  
INSURANCE COMPANY • THE AUTOMOBILE INSURANCE COMPANY  
of Hartford, Connecticut





## AMERICAN AUTOMOBILE INSURANCE COMPANY

ORGANIZED 1911

ST. LOUIS, MISSOURI

### NATIONWIDE BRANCH OFFICE FACILITIES

ATLANTA • BALTIMORE • BOSTON • CHICAGO • CINCINNATI • CLEVELAND • DETROIT  
INDIANAPOLIS • KANSAS CITY • LOS ANGELES • MILWAUKEE • MINNEAPOLIS  
NEW ORLEANS • NEW YORK • PHILADELPHIA • PITTSBURGH • SAN FRANCISCO • SEATTLE

# The NATIONAL UNDERWRITER

Forty-fifth Year—No. 47

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, NOVEMBER 20, 1941

\$4.00 Year, 20 Cents a Copy

## R. D. Hobbs Presents Strong Testimony at Michigan Hearing

### Points Out Fallacies in Detroit Counsel's Charges Against Companies

LANSING, MICH.—The fire companies' case in the Michigan rate reduction hearing here was definitely strengthened by the expert testimony of Russell D. Hobbs, manager Western Actuarial Bureau, Chicago. Mr. Hobbs



RUSSELL D. HOBBS

and Lionel R. Mangold, department chief examiner, shared the witness stand as the hearing was resumed Monday and there were indications the sessions would end this week.

### Would Mean Violent Fluctuations

Mr. Hobbs, harried by cross-questioning of A. L. Barkey, Detroit's assistant corporation counsel, managed to bring out several strong points which, it appeared, the rating commission could not well ignore in deciding on the petition of Detroit and a few other cities for a slash in dwelling rates. He explained carefully what he deemed to be fallacies in the arguments for localizing rating on a basis of immediate experience, declared that the companies are not now making a profit on their Michigan fire business and cannot show a net return in territory where there is a 50 percent loss ratio. He said the 48 companies which fully responded to Commissioner Berry's call for a 10-year experience report in protected territory write 90 percent of the Michigan business.

If rates were figured on a local or state basis there would inevitably result violent fluctuations in premiums due to

(CONTINUED ON PAGE 26)

## Program Given for Cleveland Meet

### Insurance Section American Management Association Mid-Year Conference

Executives with insurance buying responsibilities from industries throughout the United States will meet in Cleveland Dec. 9-10 for the winter conference of the insurance division of the American Management Association at the Hotel Statler.

Reginald Fleming, insurance manager Commonwealth & Southern Corporation and vice-president of the association's insurance division, has announced a program that will be largely devoted to case problems in loss adjustments and such current problems as: An analysis of property damage and use and occupancy requirements; financial aspects of the selection of an insurance carrier; an educational program for industrial fire protection, and questions and answers on current bonding, fire and casualty problems.

### Loss Adjustment Case Studies

The conference will be featured by an entire day devoted to "Case Studies in Loss Adjustment." Authorities on this phase of insurance, representing the three parties necessary to every adjustment case—the buyer, the underwriter and the professional adjuster—will, step by step, go through the process of bringing each case to a logical conclusion. The speakers at this session will include: The buyer—J. H. Nickell, insurance manager Philadelphia Electric Company; the adjuster, J. H. Burlingame, Jr., assistant general manager, Western Adjustment; the underwriter, Daniel Royer, chief engineer Ocean Accident & Guarantee, and R. H. Byrnes, assistant secretary Continental.

The evening of Dec. 9 John G. Foster, first secretary of the British Embassy at Washington, will speak on "British Insurance and Wartime Economy."

### Insurance Buying Problems

The session Dec. 10 will be devoted to a discussion of current insurance buying problems and will cover such topics as an analysis of property damage and use and occupancy requirements; financial aspects of the selection of an insurance carrier, an educational program for industrial fire protection. The speakers at this session will include: P. H. Schindler, manager insurance department Youngstown Sheet & Tube Company, and J. A. McGuckin, Philadelphia Electric Company.

At the afternoon questions-and-answers session the panel will be composed of F. H. Doenges, manager Fidelity & Deposit; C. D. Minor, director of education Royal-Liverpool groups; John A. Ross, superintendent boiler and machinery department Employers Liability.

### Neb. Agents Can Get Commissions

In order that Nebraska agents may receive commissions on HOLC business placed through the Stock Company Association, Insurance Director Fraizer has suspended his order of Feb. 15 of

## Salvage Outlook at Fall River Is Looking Up

FALL RIVER, MASS.—Fire and marine underwriters have been heartened of late over the prospect of securing some salvage from the wreckage of the plant of the Firestone Rubber & Latex Company, swept by one of the worst conflagrations in the country's history in October, and which insurance men at first figured would cost them approximately \$17,000,000.

As soon as possible representatives of the Underwriters Salvage Company of New York were on the scene and soon had derricks, steam shovels and hundreds of laborers at work clearing up the debris, and hauling out all possible damaged machinery as well as such of the crude rubber as had not been rendered worthless by the flames. Appreciating the value of machinery and the difficulties encountered in making replacements under present conditions, every effort is being made to recondition such machinery as had not been wrecked beyond possible repair. Whether the cost of the effort will be justified remains to be seen.

Underwriters are more hopeful of salvages from the rubber stock. Where the crude supply had been rolled into sheets, nothing remains, these having melted to a thick liquid and washed away in the torrents of water used in fighting the fire. Much of the tightly rolled crude product, however, has been recovered, and more is being taken out daily. Part of the salvaged stock has been shipped to the Akron plant of the Firestone Company for re-conditioning, work which will probably be supplemented by an emergency plant the Underwriters Salvage Company will erect here.

Those familiar with salvaging and adjusting operations declare the work to be "monumental," and predict that considerable time is likely to elapse before data upon which settlement of the loss depends, will be available.

## Middle Department Adopts New U. & O. Limitations

NEW YORK—The Middle Department Rating Association is the most recent of the rating bodies within the jurisdiction of the Eastern Underwriters Association to approve the revised rules for writing use and occupancy insurance recommended by the E.U.A. Other rating bodies in the east that have taken similar action are the New York Fire Insurance Exchange and those of New England except New Hampshire. The other organizations having the proposition before them and whose concurrence is anticipated are those of New York state and New Jersey.

this year which held up operation of the SCA in Nebraska. The suspension is retroactive to Feb. 15 for an indefinite period. Mr. Fraizer states that he does not withdraw the principles that he stated in his order of Feb. 15, but that he is withdrawing the order merely to help out the Nebraska agents.

## W. R. Thomas, Keese, Callis, Hilgemann New Appointees

### Garlichs, Moreton, Redden, Zoercher Remain in N.A.I.A. Steering Group

President R. W. Forshay has announced the appointment of the new executive committee of the National Association of Insurance Agents for the 1941-1942 term. Four of the members are newly appointed and four have been reappointed.

The new appointees are Harold I. Callis, Santa Barbara, Cal.; L. C. Hilgemann, Milwaukee; Will S. Keese, Jr., Chattanooga, and W. Ray Thomas, Pittsburgh. Those reappointed are Loren W. Garlichs, St. Joseph, Mo.; Fred A. Moreton, Salt Lake City; Thomas G. Redden, Greensboro, N. C., and Chris Zoercher, Tell City, Ind.

### Woosley, Fetzer, Haerle Off

Several members who had served during the past year were not available for reappointment. Terrell Woosley of Lake Charles, La., had notified the new administration that his physician had advised him against attempting to serve further. Also word was received that Wade Fetzer, Jr., of Chicago, who has been a member for two years, felt that his obligations to his agency would require his retirement, and George W. Haerle of Portland, Ore., declared himself ineligible for reappointment. The fourth new appointment was necessitated by the election of David A. North of New Haven as vice-president.

For the first time in many years, the executive committee will now function without the official participation of Sidney O. Smith of Gainesville, Ga., who automatically retires as chairman following what will probably remain the greatest record in years of service that National Association history will ever know. Mr. Smith served four consecutive years on the executive committee, beginning with his appointment in 1932. There followed a year's absence from the committee while Mr. Smith was reorganizing his agency affairs in the aftermath of the Gainesville tornado, and then he was reappointed to the committee in 1937. In 1938 he was elected chairman of the committee, the office at that time preceding the presidency. He was elected president in 1939 and in 1940 automatically became chairman of the executive committee. In eight of the last nine years, therefore, Mr. Smith has been a member of the committee.

### Midyette Is Chairman

As its chairman the new executive committee has Payne H. Midyette, the immediate past president of the National association. He has had five consecutive years in executive committee work. Mr. Callis has resided in California

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## Seek to Get Proper Definition of Term

### Underwriters Dubious as to "Light and Other Trucks"

NEW YORK—One of the problems with which fire and casualty officials are still wrestling in an endeavor to find a satisfactory solution is the proper definition of "light" and "all other trucks" under the present classification. Light trucks, because of their assumed limited load capacity and restricted area traveled, get a preferential rating. Experience has demonstrated that in actual operation the "light" trucks frequently are loaded far beyond their supposed carrying capacity, and instances are cited in which additional wheels have been attached to the rear of trucks in order to increase their loadings. The fire and collision hazards in connection with truck operations are closely linked, as a truck in a collision usually takes fire and supplies a substantial loss to all interests involved.

#### Might Abolish Classification

In view of the difficulty encountered not only by insurers but by state vehicle commissioners as well, in checking truck loadings to determine whether they conform with the allowable limit, which varies in different states, automobile underwriters say that unless some means of dealing with the condition can be found, it might be necessary to abolish the present classification applicable to light and all other trucks, and simply name one rate to govern the entire class.

In view of the present road congestion, they are afraid to think of what it would be if the threatened railway strike should take place and all transportation of both persons and property has to be by automobile.

## Barbour to Address "Ad" Conference in New York City

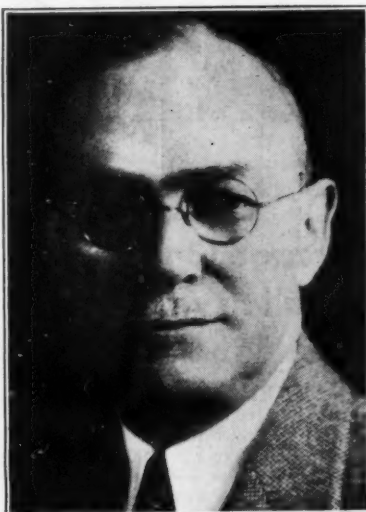
BOSTON—Final plans for the Insurance Advertising Conference meeting in New York City on Dec 4, indicate it will be an outstanding event. At the luncheon R. P. Barbour, U. S. manager Northern Assurance and president National Board of Fire Underwriters, will offer suggestions as to what advertising men can do to build good will for the National Board and for the business in general. Ernest L. Clark, insurance manager J. C. Penney Company, and F. W. Potter, field supervisor Aetna Casualty, will share the spotlight on the morning program. A question and answer period will be held on the "ABC of the V-plan" at which Jerome van Wiseman, director of public relations and publications National Association of Insurance Agents, will answer questions regarding the new agents' program introduced at its Kansas City convention.

The afternoon feature will be a panel discussion led by I. A. C. members and advertising men. All I. A. C. members will be given the opportunity to participate. With many problems confronting the insurance advertising men today and with the necessity for more and better sales promotion activities, the session promises to be a lively one.

H. G. Helm, advertising manager Glens Fall group is program chairman, assisted by W. C. Rhoades, Marine Office of America, and Harold J. Graham, assistant production manager Hartford Accident.

William McGeachy of the firm of Carter & McGeachy, Winnipeg general agents, died suddenly at his home. He was prominent in Winnipeg insurance circles.

## Chris Gough Returns to His Office in N. J.



C. A. GOUGH

C. A. Gough, deputy commissioner of banking and insurance of New Jersey, returned to his desk at Trenton after an absence of several months spent in recuperation from a serious operation. For the present he will limit his visits to his office to a few hours each day.

#### Well Known Country-Wide

Mr. Gough is known country-wide not only because of his many years of service with New Jersey but because of his great activity in the affairs of the National Association of Insurance Commissioners. It will be recalled that the onset of his illness occurred at a meeting of the association in Detroit early in June. However, he anticipates taking his usual active part in the forthcoming meeting in New York in December.

#### Optional Fire Form in Four States

The optional fire form, which has been successfully used by agents in Ohio for some time, was approved and went officially into voluntary use Nov. 1 in Illinois, Iowa and Nebraska. The form is being introduced by the Western Underwriters Association in other states as time goes on.

The form carries on the face of the policy a blank space for fire, windstorm and extended insurance and can be used whether the assured wants one, two or all three coverages. Coverage is in effect only for the items for which a premium is shown on the policy.

## Cancel, Rewrite U. & O. Contracts, Nullify Restrictions

NEW YORK—In those jurisdictions in the east in which the new U. & O. restrictions have not been introduced, brokers have been busily engaged in canceling and rewriting U. & O. contracts, mainly for a five-year term. This activity has been so extensive that to a large extent it nullifies the benefits of the restrictions, which include limitation of recovery to a period of one year and a 30-day limit on the raw stock provision. So far as can be ascertained companies have not done anything to save themselves from this wave of cancellation and rewriting. There was extensive cancellation and rewriting in New York prior to last week when the New York Fire Insurance Exchange promulgated the restrictions.

#### Many Favor Rate Increase

Sentiment in the east seems to be pretty largely in favor of increased U. & O. rates, but there is the almost universal feeling that an increase cannot be put into effect under present circumstances. "The politicians won't let us do it" is the lament. By that they mean that it seems impossible to get rate increases approved in the various states, because the companies cannot cite a bad U. & O. loss record. The rate increase is desired because of the fear of what may happen rather than on the basis of actual losses already suffered. Not only would increased rates be desirable per se, some of the executives feel, but if the rates were higher they believe less U. & O. insurance would be purchased because it would seem to be less of a bargain than it is now. And such a slackening of interest would suit most of the companies exceedingly well. However the idea of actually doing anything about a rate increase has been pretty well abandoned under present conditions. If there should be a series of bad U. & O. losses, then there would probably develop a call to action.

#### W. F. Marshall in Pa. State Post

W. F. Marshall, well known surety man of Philadelphia, has been appointed head of the insurance department of the liquidation division of the Pennsylvania banking department. His first experience in the insurance business was in the claim department of Travelers in Minneapolis. He was transferred to Milwaukee and subsequently to Philadelphia. In 1924 he established his own agency and in 1939 became associated with Henry W. Brown & Co.

## Should Check New Values of Property

### American Management Association Cites Increasing Prices

The American Management Association advises all its members to check their insurable values due to the present upward trend in the price of materials and cost of labor. There should be an up to date valuation of buildings, fixtures, machinery and stock, the association declares. Figures published by a prominent appraisal company indicate that the general cost of building construction has been gradually increasing since 1932 and is now at the highest point since 1929. Many basic commodities employed in buildings are higher than at any time since 1923 and wages in the building trade based on an average of 30 cities are at the highest point in the last half century. Thus everyone should check building costs, the A. M. A. says, with a reputable local contractor or appraisal firm or have the old appraisals brought up to date.

#### Many Items Are Higher

It calls attention to the fact that many items of machinery, furniture, fixtures and equipment are substantially higher. In a recent fire a Chicago firm dealing in office furniture found itself considerably under-insured as the result of an advance in prices chiefly due to government orders. The demand for such equipment was reflected in a 33½ percent increase over recent price levels in the price of steel cabinets and 20 percent increase in desks and other equipment. Continuing, the American Management Association says:

"In calculating present insurable values, so-called 'book value' is generally meaningless. Original costs, or arbitrary rates of depreciation allowed for income-tax purposes, cannot be depended upon, and generally result in under-insurance. The insurable value of buildings, machinery and fixtures is the present-day replacement value less an allowance for actual physical depreciation (or obsolescence) incurred since date of construction.

#### Review Merchandise Inventory

"Insurable value may best be obtained from an appraisal by a reputable firm of appraisers or by a careful valuation performed by your own employees, where they are qualified to do such work.

"It is suggested that you review your present merchandise inventory in the light of what similar merchandise would cost to replace today. Fluctuating inventories may be covered here under a 'reporting' policy, which constitutes the best available means of taking care of required increases. Those who now employ such a policy should be certain they are complying with the terms of the contract by reporting the present-day value —i.e., taking into consideration any current appreciation of the values on hand. All such reporting policies contain a limit of liability and should be reviewed.

"With respect to use and occupancy, those having prospective earnings or manufacturers' adjustable premium form are generally amply protected against the anticipated increase in earnings over the coming year. Those using coinsurance forms should carefully estimate such future earnings and insure accordingly. Use and occupancy insurance is not only the greatest bargain in insurance today but is also the most important need of the insurance buyer under existing conditions because of the increasing degree of difficulty in replacing damaged property, which may greatly extend the normal period of interruption."

Roy A. Duffus addressed the Pineapple Men's Club of Rochester, N. Y., at a dinner meeting.

## THIS WEEK IN INSURANCE

R. D. Hobbs, Western Actuarial Bureau manager, proves able witness at Michigan rate hearing. **Page 3**

Composition of the new executive committee of the National Association of Insurance Agents is announced. **Page 3**

Program is announced for the insurance division of the American Management Association winter conference at Cleveland. **Page 3**

Outlook for salvage at Fall River, Mass., seems to be improving as the work progresses. **Page 3**

Oklahoma Association of Insurance Agents holds its mid-year meeting at Enid. **Page 5**

American Management Association urges assured to check up their insurable values due to increased prices. **Page 4**

Canceling and rewriting U. & O. policies to avoid new restrictions cause much dismay to underwriters. **Page 4**

Deputy Commissioner C. A. Gough of New Jersey returns to his office after many months of illness. **Page 4**

Plans announced for New York meeting of Insurance Advertising Conference. **Page 4**

E. J. Bond, president of Maryland Casualty, dies suddenly. **Page 21**

Announcement is made of the appointment of the new deputy most loyal grand granders of the Blue Goose and of the new grand nest committee. **Page 14**

Survey shows 90 percent of students sent to Northwestern University by fire companies stayed in insurance work. **Page 6**

Serious problem is seen in endeavoring to find a solution as to the proper definition of "light and all other trucks." **Page 4**

Existence of a form of insurance that serves as a substitute for recording of chattel lien is revealed by the action of the Iowa department in refusing to approve such contracts. **Page 21**

Careful study and special technique needed for occupational disease legislation, J. D. Dorsett of Association of Casualty & Surety Executives tells Industrial Hygiene Foundation meeting at Pittsburgh. **Page 23**

Many valuable sales ideas are brought out at the Oklahoma casualty school. **Page 23**

Giant Wilmington, Ill., explosives plant finished with sensational safety record. **Page 21**

Merger of New Century Casualty of Chicago into Citizens Casualty of New York is in preliminary stages. **Page 22**

R. H. Blanchard is elected new president at annual meeting of Casualty Actuarial Society. **Page 21**

## Much Interest in Midyear Meeting in Oklahoma

### Tax Inequality Scored in Resolution; More Than 150 Attend

ENID, OKLA.—More than 150 members of the Oklahoma Association of Insurance Agents attended the mid-year convention here, and attendance would have been much larger but for the casualty insurance school that opened in Oklahoma City Nov. 17.



Fred Daniel

Encroachment of non-stock insurance was cited as a vital menace to the American agency system by President Fred Daniel of Tulsa. He expressed alarm at the apparently limited effort being made by the companies to meet this situation. He asserted that agents and companies should immediately get together and work out a plan. The two groups can get nowhere consoling each other.

#### Hofmeister's Talk

G. E. Hofmeister, vice-president Continental Casualty, said that automobile rates are 40 percent less than in 1937. This would not have been serious except for the increase in basic exposure. He believes the traffic hazard will continue to increase as the young people come into good jobs with more money to spend. Companies are losing too much money on the automobile business and unless some action is taken regarding rates and safety program, they will have to tighten up and revise their rates, while agents will have to learn to say "no" more frequently.

Although Mr. Hofmeister foresees a couple of tough years ahead in automobile insurance, he is very optimistic about the ultimate trend that will follow that period. For the immediate future auto premiums can be expected to fall off due to curtailed production and limitation of gas consumption. He expressed some concern about workmen's compensation especially when payrolls fall off. Other casualty lines he believes, will be undisturbed.

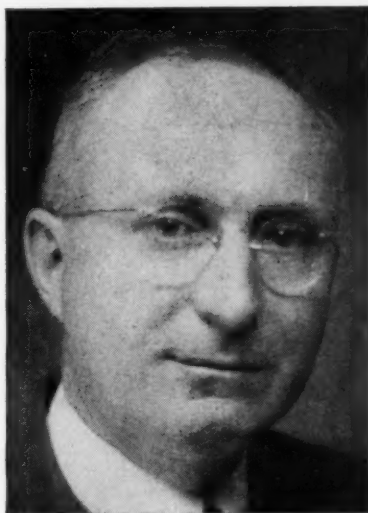
The thing to do now, he said, is to concentrate on the lines that will not be so much affected and sell new coverages to keep up volume. Emphasize lines the agent usually skips, such as burglary, accident and health, and the like. Don't let high premium volume on defense business upset the business. After all it is the small business that keeps the agent going, he urged.

#### Budget Plan Sales

Lower collection costs and increased volume were emphasized as the main advantages of the proper use of the budget plan in selling insurance by C. H. Froehle of the First Bancredit Corp., Tulsa. He pointed out that increased taxation will tend to make cash payments harder to get and urged agents not to hesitate to suggest the deferred payment plan. The agent shouldn't overlook the possibilities of setting up premium budget arrangements on such accounts as hotels, golf clubs, churches, lodges, apartment houses, schools and municipalities, he said.

(CONTINUED ON LAST PAGE)

## New Members N.A.I.A. Executive Committee



W. RAY THOMAS  
Pittsburgh



HAROLD I. CALLIS  
Santa Barbara, Cal.



W. S. KEESE, JR.  
Chattanooga

## Toledo Sues G. & R. to Halt Canceling of Big Policies

TOLEDO—A date has not yet been set for hearing on the petition for a permanent injunction asked by the city of Toledo to prevent Globe & Rutgers Fire and its agent, E. L. Southworth & Co., Toledo, from canceling its policies on the \$9,884,000 Lake Erie water supply project. Common Pleas Judge Krueger of Lucas County Saturday issued a temporary injunction preventing the cancellation, after the city charged that the Western Underwriters Association, of which the company is a member, had applied pressure on Globe & Rutgers to cancel the insurance because of its low bid.

Globe & Rutgers had notified the city Nov. 11 that it was canceling the two policies it held, one of \$2,015,689 covering fire and tornado, and one of \$2,869,198 covering riot and civil commotion—but gave no reason. The cancellation of these policies was to have been effective Nov. 17.

When the city council advertised for bids, 64 bids were returned, all by members of the Western Underwriters Association. Globe & Rutgers bid was \$12,000 lower than the highest bid and \$3,000 lower than the next higher bid. Globe & Rutgers had filed a bid bond of \$1,000 and the city alleges that in an effort to escape liability under the bond, the company issued the policies and accepted premium payments but intended canceling the insurance. The city also charged the company's action constituted illegal restraint of trade under the state and federal laws.

In its petition, the city claimed cancellation of the policies would affect the entire waterworks project insurance coverage and that it would be impossible to get other insurance for six weeks because of the necessity of advertising for bids. National Union Fire issued a twin set of policies but did not attempt to cancel them. The fire insurance premium the city paid Globe & Rutgers was \$8,610, and the riot insurance premium was \$148.92. The company accepted and canceled both checks. The Southworth Co. is a nominal defendant and was named only because it is the company agent, said Bert Hebenstreit, assistant city law director, who is handling the insurance transaction on the new waterworks.

#### STATEMENT BY G. & R.

NEW YORK—An official of Globe & Rutgers admits authorizing the writ-

ing the fire insurance with extended coverage on the Lake Erie Water Supply project at Toledo at the approved rate together with a vandalism policy covering large water pipes buried deep in the ground, from the lake to the city, at a low rate, there being no standard rates in the latter connection.

When the daily report was received at the home office, revealing that a very heavy liability had been assumed upon the entire risk, which was not in accord with the data received in New York, upon which authority for writing the line was granted, the company directed its Toledo representatives, E. L. Southworth & Co., to cancel its policy, and when the agency asserted its inability so to do, the ordinary cancellation notice was sent by the company direct to the assured. The report that pressure was exerted upon Globe & Rutgers by the Western Underwriters Association, is declared by the company's management to be untrue.

T. A. Fleming, director of conservation of the National Board, will address the dinner meeting of the Sioux City (Ia.) Insurance Women's Association, Dec. 29.

W. E. Yaggy, Horton, Yaggy & Kenley agency, has been elected president of the San Angelo (Tex.) Kiwanis Club.

## Blossom Nominated Head of U. S. Golf Association

George W. Blossom, Jr., president of Fred S. James & Co., Chicago agency, has been nominated for president of the United States Golf Association for 1942. Since nomination for the post is tantamount to election, Mr. Blossom is expected to assume the office when the annual meeting of the association is held in New York City in January.

Mr. Blossom is a member of the Onwentsia Club in Lake Forest. He is the third Chicagoan to hold the position, his predecessors from Chicago being Silas H. Strawn in 1911-12 and Melvin A. Traylor in 1928. Mr. Blossom has been a member of the association's executive committee since 1933, and a vice-president since 1939.



G. W. Blossom, Jr.

## Va. Commission Finds HOLC Deal Involves Rebate

RICHMOND—The Virginia Corporation Commission following an informal hearing held that the supplemental contract of the Stock Company Association with the Home Owners Loan Corporation is in violation of the Virginia rebating law. Commissioner Bowles is notifying the two organizations of the decision and informing them that before an order to that effect could be entered a formal hearing on the questions involved will have to be held.

The supplemental contract provides for payment to the HOLC by the Stock Company Association for services rendered and for a 45-day waiting period during which the companies furnish protection. It also provides protection against errors and omissions.

Among those attending the informal conference were Commissioner Bowles, Blake Newton, department counsel; M. B. Ignatius, counsel, and G. C. Morgan, secretary of the Stock Company Association; E. K. Newman, associate counsel Federal Home Loan Board, and John J. Wicker, Jr., counsel American Mutual Alliance. Samuel Bigelow, manager Virginia Association of Insurance Agents, was an interested spectator.

## Chicago Headquarters for Commissioners Dec. 6-7

The Illinois insurance department will maintain a headquarters suite in the Hotel La Salle, Chicago, Saturday and Sunday, Dec. 6-7, for commissioners and camp followers who are in the city en route to the mid-winter meeting of the National Association of Insurance Commissioners in New York. The official cars for the convention will be attached to the Advance Commodore of the New York Central system, leaving Chicago at 2:30 p. m., Dec. 7. Reservations may be made either through Arthur Smith of the Chicago office of the Illinois insurance department in the Insurance Exchange Building or through Ray Martin of the New York Central system in Chicago.

The Insurance Women of New Jersey will hold a dinner meeting in Newark Nov. 27. Leon A. Watson, Schedule Rating Office of New Jersey, will speak. A supper-dance will be held Feb. 6.

## Enlightenment by Experts on Chicago Quiz Program

Some excellent points on marine, fire, casualty and surety business were brought out at a dinner meeting of the Insurance Club of Chicago. A board of experts, consisting of Robert Marshall, in charge of underwriting for Seaboard Surety, Chicago; H. H. Thiemeier, service manager North America; E. D. Lawson, western manager Fireman's Fund; G. E. Hofmeister, vice-president Continental Casualty, and J. E. Payne, superintendent compensation and liability department Continental Casualty, were quizzed by J. C. O'Connor of the "Fire, Casualty & Surety Bulletins." Peter Erikson, president of the club, was chairman. The club will hear E. B. Moran of the National Association of Credit Men, Chicago, at the meeting Dec. 2.

### War Risk Marine

American war risk marine business operated differently during the world war than it does at present, Mr. Lawson said. He was in the marine field during 1917-18 and keeps a close eye on it today. Probably the most characteristic difference is that today the market is stable. Through the war risk reinsurance exchange and the war risk advisory committee that is in almost continuous session each new change in the war situation is reflected in underwriting in a business like way. In the world war a rumor at noon produced a scramble before five o'clock and rates gyrated in an unruly fashion. The rate was, so to speak, what the brokers could get at any one time. The market was wide open.

Confidence of American underwriters in the present situation is reflected in this week's reduction in rates from 10 to 7½ percent in the face of the neutrality act repeal. Mr. Lawson said he believed marine underwriters will follow their cargoes, whether they are on British or American flag vessels. He said that loss experience under war risk coverage indicates that American goods are reaching Britain.

### Hofmeister on Comprehensive

After a year or so of comprehensive, Mr. Hofmeister reported that experience so far has been satisfactory, and there have been no unusual losses. He said he anticipated that the principal difficulty will be in the audit, the first of which for his company is about due.

Mr. Hofmeister still feels that insurance policies should be as broad as possible, but that companies should get a rate for them. He predicted further developments in the comprehensive field for the future, including the possible elimination of "caused by accident," substitution of "personal injury" for "bodily injury," etc. Comprehensive may eventually be written on a one rate basis.

### U & O Treated by Thiemeier

Mr. Thiemeier expressed doubt that the fire companies would adopt a "priorities exclusion" in their use and occupancy forms such as the casualty companies have done in boiler and machinery U & O. He said he didn't think rates will go up, at least immediately. Safe and sane underwriting is more of an answer to any uneasiness underwriters may feel in the present situation.

There is considerable demand for U&O cover in excess of 12 months, Mr. Thiemeier said, especially by non-defense industries and businesses. Certainly defense is affecting U&O losses. Here was an ordinary brick structure which normally required four months to rebuild; the rents insurance loss was settled on the basis of eight months. Motors are an especially important factor in the U&O picture, he said. A steel mill with a 7,000 h. p. reversing motor used for rolling steel into ingots could, a year or so ago, get one rebuilt in eight or 10 months; today it would require 30 to 36 months.

For the smaller risk that can defin-

itely measure the hazard in each position, the blanket position bond is perhaps the best coverage, Mr. Marshall stated. For a firm with many employees "exposed," the commercial blanket bond is the best cover. In a collusion loss the blanket position bond probably gives the most protection, since the penalty for each position involved is aggregated for the total loss.

Mr. Payne said a rather difficult situation was created when social security and unemployment compensation taxes went into effect. Many former employees of concerns became "independent contractors," and casualty underwriters had, and still have, some difficulty in collecting premium for the compensation exposure. Where the company can't get the premium, Mr. Payne suggested asking for a hold harmless agreement in event of loss. He said assured should not rely on an opinion of a social security board or unemployment compensation commission which hold the person an "independent contractor" for tax purposes, in deciding the employee's status under workmen's compensation.

## Hail Advisory Men in Annual Parley Review 1941 Record

The Hail Advisory Committee of the Western Hail & Adjustment Association met in Chicago last week. Meeting with the committee were some 50 hail field men, representing practically all states in the central department, who are members of the seven separate committees which bring in recommendations for writing next year's crop hail coverage. These recommendations then are considered by the advisory committee, which will pass on its findings to the Western Hail & Adjustment Association, when the latter meets Dec. 1.

Total hail premiums in the central department in 1941 were \$6,429,028, 76.8 percent greater than the 1940 total of \$3,596,009. Losses were \$3,921,024 for a ratio of 60.99, against \$1,168,797 and 32.5 for 1940. Figures for the country as a whole were: Premiums \$9,935,444; losses, \$5,980,016, or 60.19 percent. In Canada stock companies this year wrote \$571,653 in premiums and had \$273,304 in losses for a 47.81 ratio.

Members of the advisory committee attending were James B. Cullison, Jr., Rain & Hail Bureau; G. C. Edwards, America Fore; T. G. Dahl, Great American; B. E. Thorp, Hartford; G. L. Cavanaugh, Cavanaugh Co., Omaha general agency; Jacob Nelson, Home of New York; O. B. Jacobs, Northwestern Fire & Marine; S. K. Bjornson, Rain & Hail Bureau; T. A. Fallgatter, Midland general agency, Kearney, Neb., and L. W. King, St. Paul Fire & Marine. Attending also was Owen S. Lee, manager of the Tobacco Hail Adjustment Bureau, Lexington, Ky.

Mr. Cullison was reelected chairman of the advisory committee. This will make 16 years in which he has held the post. He was the committee's first chairman in 1922, and served for three years. Returned to the post in 1929, he has served continuously since.

The hail men keep an extremely close eye on experience by states, counties and in some cases townships, and revise rates wherever experience indicates the need.

### Jube Firemen's Director

A. R. Jube of South Orange, N. J., has been appointed a director of the Firemen's. His grandfather, John P. Jube, was one of the founders of the company. Mr. Jube is a member of the New York City law firm of Kafer, Wiles & Jube.

## Heads Arrangements for Commissioners



A. N. BUTLER

NEW YORK — Having achieved notable success as chairman of the committee on arrangements for the mid-winter meeting of the National Association of Insurance Commissioners in New York City last year, A. N. Butler, vice-president of the Corroon & Reynolds companies, will by request of Superintendent Pink again act in the same capacity when the state officials assemble here Dec. 8-10. A former deputy superintendent of the New York department, and in its service for nearly 20 years prior to resigning to become an official of the C. & R. group in 1933, Mr. Butler has an extended acquaintance with the governing insurance officials of the country, and together with his committee associates is rounding out a program of entertainment.

## Fall River Loss Sends October Record Soaring

NEW YORK—The loss suffered by the fire companies in the Fall River, Mass., conflagration Oct. 12, apart from those suffered under marine and inland marine covers, accounts in good part for the stiff increase in the country's fire loss for the month, which the National Board estimates at \$30,833,000. This is an increase of 25 percent over the record of the preceding September, and greater by 40 percent than the record for October, 1940. Including the latest figures, the fire losses for the first 10 months of this year reach the impressive aggregate of \$267,274,000, which is 5.06 percent above the same months of 1940. The following table gives the losses for each of the first 10 months of this year and last:

	1941	1940
January .....	\$ 26,470,000	\$ 36,260,000
February .....	26,102,000	34,407,000
March .....	31,471,000	29,788,000
April .....	29,330,000	26,657,000
May .....	25,637,000	23,446,000
June .....	24,943,000	19,506,000
July .....	23,698,000	20,322,000
August .....	24,122,000	20,722,000
September .....	24,658,000	21,198,000
October .....	30,833,000	22,091,000
10 months.....	\$267,274,000	\$254,403,000

### London Lloyds Officials

E. R. Pulbrook has been reelected as chairman of London Lloyds for 1942, and H. G. Chester, deputy chairman. Mr. Pulbrook has been an underwriting member since 1915. Mr. Chester has served in a similar capacity since 1914.

Sell more accident with "Why Disability Insurance?" booklets. 100 copies \$5. Order from National Underwriter, 175 W. Jackson Blvd., Chicago.

## Survey Shows Value of College Courses

### N. U. Fraternity Group Reports 90 Percent Stay in Insurance

A recent survey of members of Alpha Chi Epsilon, fire insurance fraternity, shows that of the 108 members who finished the courses sponsored by the fire companies at Northwestern University prior to 1933, 90 percent are still in the insurance business. Robert O. Young, Cleveland, manager North America service office, who was recently elected president of the fraternity, made the survey.

About 75 percent of the Northwestern students joined the fraternity. It is believed that approximately the same proportion of other students remained in the business.

### Many Field Men

Four members have died and 11 have gone into other businesses. Of the 93 now in the insurance business, 64 are employed by insurance companies. Field work has claimed the greatest number, 48 of the 64 being state or special agents. Eight are executives or branch managers and eight more are office employees. There are 19 members connected with local agencies and seven in allied occupations, such as adjusters and insurance buyers. Three members are now in military service.

Of the Northwestern men, 22 are still located in Chicago. Including the smaller Columbia University chapter, which had 44 members, Alpha Chi Epsilon men are spread over 76 cities in 34 states.

A similar, though more detailed, survey of former Columbia University scholarship students was released about a year ago by Prof. Ralph H. Blanchard of that institution. Although a slightly smaller percentage of the Columbia group stayed in the insurance business, the survey was hailed as showing the value of these sponsored courses in providing the insurance companies with selected trained men. The statistics on Northwestern students are even more impressive and lend weight to the arguments for a resumption of this activity.

### T. O. Nuckles, Jr., Joins Norwich Union in Mo.

Effective Dec. 1, T. O. Nuckles, Jr., will become state agent in Missouri, outside of St. Louis and St. Louis county, for Norwich Union Fire, taking over part of the territory heretofore traveled by State Agent J. A. Thomas, whose future activities will be confined to Kansas, instead of to both that state and Missouri. Mr. Thomas will continue to make headquarters at Kansas City, which will also be Mr. Nuckles' base.

Mr. Nuckles' business experience began with the Kansas City agency of R. B. Jones & Sons. After three years he resigned to join a mercantile establishment. Later he went with Springfield F. & M. in Chicago, working successively in its survey, automobile, inland marine and improved risks departments. In 1938, he was sent into the field as special agent in Missouri with headquarters in St. Louis.

His father, T. O. Nuckles, who died recently, was located at Kansas City for Springfield.

### New Fireproof Schedule in N. Y.

NEW YORK—On and after Nov. 17 the revised fireproof mercantile schedule approved by the New York Fire Insurance Exchange at its meeting last June 11 became effective. It is estimated it will apply to 2,000 mercantile and office buildings and 60,000 tenants, and probably mean a reduction of \$160,000 in the premium income of the territory.

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PRICE TAGS  
tell why you  
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Advise your clients  
that for less than  
the cost of the tax  
they can buy Fur  
Insurance complete-  
ly protecting them  
from loss.

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THE FIDELITY AND CASUALTY COMPANY

BERNARD M. CULVER, President  
FRANK A. CHRISTENSEN, Vice-President

*New York, N.Y.*

CHICAGO

SAN FRANCISCO

NEW YORK

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## NEWS OF FIELD MEN

### Bay State Men Want All Adjusters to See Fire Chiefs

BOSTON—The Bay State Club, composed of about 140 special agents, may recommend to the National Board that a rule be promulgated requiring company adjusters, as a regular part of their duty in adjusting a fire loss, to call on the local fire chief before handing in a report.

A committee of the club has conferred with the Massachusetts Fire Chiefs Club on better relations between chiefs and company adjusters, efforts at reduction of fire hazards and the ever-present problem of the public adjuster. As a result the Bay State committee reported that adjusters quite generally are overlooking an important source of information in not cooperating with fire chiefs. Little hope was held out for much improvement in regard to public adjusters.

The committee reported at the monthly dinner at which H. P. North of the Business Development Office was the principal speaker. It was announced that 29 members are enrolled in the teaching class for the agents' school. It was voted to hold a Christmas party Dec. 12, and to remit the dues of members in service.

### Fireman's Fund Makes Change in Connecticut

BOSTON—Fireman's Fund announces the resignation of Special Agent J. Guy Richardson, who will become a partner in the new general agency firm of Mallette & Richardson at Torrington, Conn.

Arthur T. Fleischhauer, who has been traveling in Connecticut and western Massachusetts, for Fireman's Fund, will be relieved of a portion of his duties and will take over the territory now under Mr. Richardson's supervision.

For the time being, Mr. Fleischhauer will maintain his association with the Connecticut field headquarters at 650 Main street, Hartford.

### Gamble with Virginia F. & M.

R. A. Gamble has resigned as manager of the statistical department of the Virginia Rating Bureau to become special agent of Virginia Fire & Marine for Virginia, effective Dec. 15. He will assist John H. Baker in supervising the state. Mr. Gamble began his insurance career with the old Petersburg Fire. He has been with the rating bureau four years. He will be succeeded there by H. H. Kinnett, who has been examiner of the B. P. Carter general agency in Richmond.

### Blickenstaff with Firemen's

A. L. Blickenstaff, for the past five years with the Wade Patton agency of Hutchinson, has been appointed special agent of the Firemen's group, assisting State Agent J. Y. Dickerson, with headquarters in the National Bank of Topeka building, Topeka. He was president of the Hutchinson Junior Chamber of Commerce, chairman of the fire prevention committee of the Hutchinson Board and active in local and state association affairs.

### Postpone Chesapeake Pond Dinner

The dinner meeting and initiation of the Chesapeake Blue Goose, scheduled for Nov. 17, has been postponed one week and will be held in Baltimore, Nov. 24.

### Eustis to Open General Agency

Glen Eustis, who has been state agent of Corroon & Reynolds in Minnesota, will soon open a general agency in the Plymouth building, Minneapolis, representing non-affiliated companies.

### Brown Taking Over Mo., Ill., for Kansas City F. & M.

Harry D. Brown, who has been state agent in Nebraska for Kansas City Fire & Marine, is taking up his new duties as state agent for the company in Missouri and Illinois, with headquarters at St. Louis. Mr. Brown has been with the company several years, having started as state agent in Kansas.

Mr. Brown succeeds E. P. Kiesler, who recently purchased the Halstead agency at West Plains, Mo., and is operating it as the Halstead-Kiesler agency. Later he will do per diem work for Kansas City F. & M.

In introducing Mr. Brown to his new territory, the company got out an interesting folder in color carrying Mr. Brown's picture and containing considerable information about him, serious and otherwise, under such headings as "born, lives, wives, children, liquor, gambling other bad habits, virtues and hobbies."

### Snodgrass Special Agent of National Union in Okla.

Ray C. Snodgrass becomes special agent of National Union Fire in Oklahoma. He will assist State Agent Joe B. Fears and make his headquarters in 220 Braniff building, Oklahoma City.

Mr. Snodgrass is a native Oklahoman, born at Blair, was graduated from University of Oklahoma with the LL.B. degree. His father was a state agent in Oklahoma for many years. Ray Snodgrass has been associated with claim department of another company, which position he relinquishes to go with National Union.

### Neil Selvig Joining Security

Neil Selvig, for the past two years state agent in Minnesota, North Dakota and South Dakota, of Rhode Island, is joining the Minnesota field staff of Security of New Haven Dec. 1. Rhode Island is closing its Minneapolis office and will service that territory out of Chicago. Mr. Selvig had been with Rhode Island about seven years.

### O'Hearn Boston Special Agent

Francis D. O'Hearn has been appointed by Field & Cowles, New England managers of the Royal group, as special agent of those companies in the Boston metropolitan district. He has served in the Boston office of Anglo-American Underwriters and in the Royal's New York office in the underwriting and special service department.

### A. C. McCabe Feted

Allen C. McCabe, Ohio state agent of National Union Fire, recently placed on the reserve force, was the guest of honor at a luncheon tendered by the Cleveland Field Club. There were 65 present. J. M. Shaw, Cleveland manager of the Ohio Inspection Bureau was master of ceremonies. After talks by field men, adjusters, agents and home office representatives, the honor guest was presented a suitable remembrance. He contemplates spending the winter in Florida, having left Cleveland Nov. 15, and will be located at the Mirasol Hotel, Tampa.

### Feuerstein N. J. Speaker

The New Jersey Field Club will hold a luncheon meeting in Newark Nov. 24, when H. O. Feuerstein will speak on agency balance and financial problems. A number of new members will be received.

### Capesius Los Angeles Special

Herbert A. Capesius has been appointed special agent of Reserve Underwriters of Dubuque, Ia., for the met-

ropolitan Los Angeles area. For the past year he has been chief underwriter in the Los Angeles office, and previous to that had 10 years training in the home office at Dubuque.

### Moe Named in Pacific Northwest

A. H. Moe has been appointed special agent covering Washington, Oregon and northern Idaho, under direction of State Agent D. A. McKinley of Seattle, by Ray Decker, Pacific Coast manager Royal-Liverpool groups. Mr. Moe is a University of Minnesota graduate, where he majored in insurance. He has received training in the coast department in fire and inland marine lines for several years.

### "All-Navy" Program in Seattle

An "all-navy" program will feature the Nov. 24 dinner meeting of the Seattle Blue Goose. Two late navy movies, with sound effects, will be shown, following which there will be a talk by a representative of the navy's public relations staff. Ganders whose birthdays fall in November will be hosts at a social hour preceding dinner.

The Christmas "hi-jinx" will be staged Dec. 19.

### Minn. Pond Hears Football Talk

The Minnesota Blue Goose heard a football talk by Charles Johnson, sports editor of Minneapolis, at a luncheon meeting Nov. 17.

The Ohio Fire Underwriters Association will hold its next meeting Dec. 2 in Columbus.

Tennessee Fire Prevention Association will inspect Gallatin Dec. 2.

### Insurance Square Club Elects

NEWARK—The following officers have been elected by the Insurance Square Club of New Jersey: President, Fred Hagney; first vice-president, H. G. Guempel; second vice-president, W. M. Fredericks; treasurer, W. A. Bruckmann; secretary, T. R. Roller; trustees; A. B. Craig, V. E. Beavers and W. C. Jenkins.

Read *Manufacturer & Insurance* by L. S. Myers to increase your sales. Send \$3 for copy to National Underwriter.

## New President



J. H. R. TIMANUS

J. H. R. Timanus, secretary of the Philadelphia Contributionship, who was elected president of the National Association of Mutual Insurance Companies at its annual meeting in Los Angeles, is one of the prominent mutual men of the country. He has served as one of the insurance directors of the U. S. Chamber of Commerce and has been active in the mutual organizations.

## CHICAGO

### ROUND TABLE KNIGHTS FROLIC

The annual dinner and frolic of the Knights of the Round Table of the Union League Club of Chicago, composed of a number of fire insurance men, will be held Dec. 13. W. R. Townley, who recently died, was chairman of the organization. A. F. Powrie, manager Fire Association, vice-chairman, will preside at the meeting as he did last year when Mr. Townley was unable to be present on account of illness.

### EMPLOYMENT SITUATION

A number of the insurance offices in Chicago are being affected by the employment situation, some of their employees being enticed to clerical positions in industrial concerns with a considerable increase in salary. Apparently where an outside institution has some access to an insurance office, knowing something about the employees, the impact has struck very hard. Most of the insurance offices feel that they are paying the maximum salaries that are justified.

### THOMAS COOPER INVALIDED

Thomas Cooper, special agent of August Torpe & Co., Chicago, president of the Early Morning Club, being the first man to report in the Insurance Exchange every morning, his hour being 7 o'clock, has been at Franklin Boulevard Hospital for observation but although four score years and ten, he was found to be in pretty good shape. Mr. Cooper is one of the veterans in the business and is highly esteemed.

### PINER HEADS LOSS GROUP

L. F. Piner of North British & Mercantile was elected president of the Western Loss Association at the annual meeting in Chicago Tuesday. He succeeds E. H. Ellis of Royal-Liverpool. The new vice-president is Sigmund Siebert of Fire Association. Secretary is Harry Olsen of Sun. New members of the executive committee are Paul Olson of Automobile and K. C. Dick of General Exchange.

### ROBT. D. FLYNN RESIGNS

Robert D. Flynn, well known Chicago fire insurance man, who has been at the head office of Transportation of the Continental Casualty group, handling automobile and inland marine work, has resigned. He had been there about 1½ years and prior to that was in the Chicago local office of Great American. For a good many years he was Chicago manager of Fidelity & Guaranty Fire.

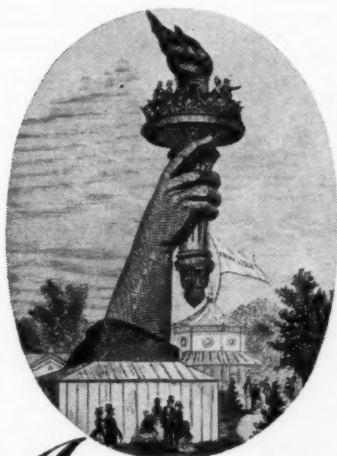
### F.U.A.P. Meet Set for March 4-5

SAN FRANCISCO—March 4-5 have been selected as the dates for the 1942 meeting of the Fire Underwriters Association of the Pacific, according to W. G. Rich, president.

Among those who will speak are: O. H. Walker, secretary-manager Credit Managers Association of Northern California; James Musatti, general manager California State Chamber of Commerce; W. T. Barr, branch secretary National Automobile Underwriters Association; Bert W. Levit, insurance attorney; Frank J. Pelletier, Hinchman, Rolph & Landis; Jack H. Helms, acting director Pacific division Office of Civilian Defense; Frank French, Pacific Factory Insurance Association and C. F. Wagner, manager Oregon Insurance Rating Bureau.

### General Agents' New Directory

The American Association of Insurance General Agents has published its new directory. Under state headings are listed the member general agencies, their addresses, names of officers and companies represented.



← The right forearm of the Statue of Liberty arrived first in this country in 1876 for display in the Centennial Exposition at Philadelphia.

It was then removed → to Madison Square Park on Fifth Avenue in New York (extreme right in picture). It remained there until 1884 while funds were raised for the base of the Statue.



↓ The arm was returned to France for completion of the entire Statue which subsequently arrived at Bedloe's Island and was erected late in 1884. The raising of this symbol of liberty was considered quite an engineering feat in its day. Keeping its flame burning brightly to warm and encourage all lovers of freedom is the quiet determination of 130 million people.

# Insuring Democracy

THROUGH good times and bad since 1853 this institution has been providing sound insurance protection to American property owners. We believe this entitles us to the claim that we know something about good insurance. Of all the forms of insurance that serve the individual none can compare with the finest kind of insurance that will serve us all—United States Defense Bonds. For the safest investment in the world—for insurance that will help safeguard our liberty—Buy United States Defense Bonds.

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FIRE • AUTOMOBILE • MARINE INSURANCE



## Seek Fischer Ouster in Am. Mutual Scandal

DES MOINES—Hearing on charges asking removal of Iowa Commissioner Fischer, filed by a policyholder of American Mutual Life of Des Moines, was postponed one week to Nov. 24 following a legal dispute between attorneys.

Benjamin Wolf, Richmond Heights, Mo., attorney, policyholder and former employe of American Mutual, filed the charges with the state executive council, composed of the governor, secretary of state, secretary of agriculture, state treasurer and state auditor.

The question as to who has the power to remove the commissioner arose at the hearing Monday, when Governor Wilson said he had been informed by the attorney-general that it rested with the governor. This was challenged by H. M. Havner, attorney for Wolf.

Oral Swift, attorney for Mr. Fischer, explained to the council that the commissioner is not taking part in any dispute on the jurisdiction question, but he wants an investigation of the charges.

Willis O'Brien, attorney representing H. I. Burken of Des Moines, an American Mutual policyholder entering the case for the first time, said that to bring the matter to an issue he was moving that the charge against Mr. Fischer be dismissed on grounds of lack of jurisdiction.

After a closed meeting of the executive council, Governor Wilson announced that it had been decided the hearing would be allowed to proceed while the question of removal power was taken under advisement.

Wolf filed complaint with the state executive council as a policyholder asking that Mr. Fischer be removed.

Wolf, who said the company is solvent, asked that Mr. Fischer be removed on grounds of "gross partiality" and wilful misconduct and maladministration in office" in his supervision of American Mutual.

Basic claim made by Wolf was that Mr. Fischer knew "more than \$150,000 had been misappropriated to the personal use of two former officials of the company."

Wolf charged that George Wall, former secretary, and A. H. Hoffman, former president and board chairman, misappropriated varying amounts from the company's premium income through deposits in a "secret bank account" between 1925 and 1937. Mr. Fischer assumed office in 1939. He charged that Mr. Fischer knew about this, through examinations by the departments of Iowa and other states, and failed to insist upon restitution or prosecution.

American Mutual at present has filed suit against Aetna Casualty for \$110,730 on Wall's surety bond.

### Page-Anderson Publicity

NEW YORK—In anticipation of the operation of the new automobile financial law, Jan. 1, Travelers is carrying display advertisements in the daily papers of the state, setting forth the salient provisions of the act, and the broad protective coverage offered by Travelers. To the same end Allstate of Chicago is using radio broadcasts.

### Check-Passer Is Operating

A check-passer who is thoroughly familiar with the personnel of local agencies in Baltimore and some of the home offices of eastern fire companies is operating in the central west. In Chicago he gave the name of F. C. Hunter and said that he was a member of the agency of Riggs & Hunter in Baltimore. There is an agency of Riggs, Rogsman & Hunter there, but the Hunter of that agency is R. J.

The check he gave in Chicago, which "bounced," was drawn on the Equi-

table Trust Company of Baltimore. He is a man about 55 to 60 years of age. His only prominent physical characteristic is that he has two widely spaced front teeth, which are noticeable only when he talks or smiles.

Insurance men already victimized would be glad to learn of his operations elsewhere.

### Debate 5 Percent Clause

CINCINNATI — John J. Conway, manager of Western Adjustment at Cincinnati, led a discussion of the interpretation of the 5 percent extension clause and its application to coverage on outbuildings at the meeting of the Cincinnati Fire Underwriters Association. A good many questions have arisen as to the coverage afforded under this clause, particularly as to the coverage on a secondary outbuilding after an assured has suffered a loss on the first outbuilding which exhausts the full 5 percent.

While a number of cases were cited where the clause has been interpreted that the 5 percent still applied on all buildings after a loss, some of those present contended that the coverage granted under the extension clause ceased when exhausted. As yet there does not seem to be very close agreement on this subject.

George A. Snider, manager of the

## Neare, Gibbs New Home Has Nautical Atmosphere

CINCINNATI—In celebration of the opening of their most unusual new offices, Neare, Gibbs & Company, prominent specialists in river marine insurance for over 75 years, held open house at their new headquarters. Features of the new offices which are located high up in the Carew Tower include a conference room in which one appears to be on the deck of a river packet looking at the Cincinnati public landing and a most modern reception room in which are displayed Cincinnati scenes from 1865, the date of the establishment of the agency, up to the present time. In the conference room there is the ship's clock which was presented to the agency by the North America last year and a barometer presented by St. Paul Fire & Marine.

The photo mural picturing the public landing shows the location of all four of the offices the agency has had since

First Bancredit Corporation, explained the operation of their recent announcement, "Insurance Agents Auto Plan." William R. Kinneary of the W. R. Kinneary Company was taken in as a new member of the association.

its beginning, including the first office on the public landing where it started back in 1865. More than 350 insurance men and friends of G. W. Neare, Boyd C. Taylor and Brian Thompson, the active partners, attended the opening. The agency does a large river marine business from Pittsburgh to New Orleans and up to Minneapolis.

### St. Paul Employees Frolic

The St. Paul Fire & Marine Insurance Company Employees' Club gathered Tuesday evening for a Thanksgiving dance. The entertainment included renditions by the St. Paul F. & M. chorus of 60 matched voices, and the showing of several reels of old motion picture comedies.

This year's program was arranged by a committee headed by Howard Clang.

### Hear Recordings in Indianapolis

INDIANAPOLIS — At the annual meeting of the Indianapolis Insurance Board next Monday night, the recording of "Pattern for Production" and "Stop-Watching Your Business" will be reproduced in part. It would take too much time to put on the whole recording in view of the business that is to be transacted.

## THE MAN WITH A PLAN



Agents have unusual "luck" with The Employers' Group Analysis Plan, because such a plan is an effective way of telling a story and selling a prospect. It's direct — easy to understand. It shows a man what insurance he needs and what insurance he has—the coverages, limits, premiums and expiration dates—all in a handy visual-index type of presentation.

To find out more about this Analysis Plan, read our monthly magazine "The Pioneer." A written request to The Employers' Group Publicity Dept., 110 Milk St., Boston, will get a copy for you.

*The Employers' Group...*



## Ga. Agents Hold Busy Session

### At Mid-Year Gathering in Macon Several Projects Are Launched

MACON, GA.—At an all-day session the executive committee of the Georgia Association of Insurance Agents went over a long agenda, reached conclusions on a number of points and submitted a report to the mid-year meeting of the association the next day.

The committee voted a new formal recognition of the local boards of the state, and found their membership coextensive. It resolved that the legislative committee study possibilities of amendment of the agency licensing law and report at the next meeting. It commended the National association's committee on graduation of commissions and expenses, and approved insistence on a "joint contribution" plan in the whole proposition. It voted to request the Southern Agents Conference to study the rules on the unearned premium endorsement and to consider some relief on the five year plan.



R. L. Ellis

#### Educational Program

An educational program for next year will be worked out by R. L. Ellis, Atlanta, president of the association, and Lon Sullivan, manager. The association voted that the organization committee continue its campaign for new members and form additional local boards. The committee's report showed that the roster comprises 326 members, an increase of 40 since the start of the new fiscal year Sept. 1.

Sidney O. Smith of Gainesville, member of the executive committee and National association leader, in honor of whom the association put on a membership drive, expressed his gratitude.

The association also heard a report by the fire prevention and safety committee which showed good results obtained through the efforts of local boards and individual agencies. The "Walk with Wisdom" campaign of the Atlanta association was praised, and its adoption by other local boards was urged.

The declaration of guiding principles which the association adopted some time ago was reported by James C. Dunlap, chairman of the committee in charge, to have found much favor, with a minimum of complaints arising under it.

#### Monthly Publication

The improvement in the association's monthly publication, "The Georgia Cracker," was noted and Manager Sullivan, the editor, complimented. A wider circulation and more advertising patronage will be sought for it under a resolution adopted.

The executive committee carried out its pre-meeting assignment with the following members present: John E. Wilson, Macon; Olin T. McIntosh, Jr., Savannah, chairman; Sidney O. Smith, Gainesville; Joseph Barrett, Dalton; Oscar Kincaid, Moultrie, and P. M. Lancaster, Sylvester. Manager Sullivan and the following sat in with the committee and took part in the mid-year meeting the next day, J. C. Dunlap, vice-president of the Atlanta association; President Ellis, Herman J. Haas, Atlanta, national councillor; and Horace W. Cole, Carrollton, secretary of the association.

The association went on record as favoring an automobile owners financial

responsibility law, endorsed a recommendation for agency staffs to join in salary allotment plans for purchase of defense bonds, and instructed the office to try to secure the moving picture of the Kansas City N.A.I.A. meeting, made by Aetna, for showing in Atlanta soon.

### Two Hartfords Give 10 Percent Pay Increase

Hartford Fire and Hartford Accident have decided to pay cost of living bonuses to employees. There will be paid 10 percent of base earned during the period

between June 1 and Dec. 1, 1941, payable on or about Dec. 5; 10 percent of base pay earned during the period between Dec. 1, 1941, and March 1, 1942, payable on or about March 5, and the same percentage quarterly thereafter until further notice. The payments replace any other form of supplemental compensation or gifts previously made.

### Insurance Loss in Quake Light

LOS ANGELES—Despite the prominence given the earthquake which hit Torrance and Gardena, Los Angeles suburbs, Friday night, insurance com-

panies will not be faced with the payment of heavy losses. From all that can be learned, very little earthquake coverage was in force. What was carried was mostly on buildings with mortgages to finance companies and other mortgagees. The greatest loss insurance companies will be called on to pay will be for plate glass.

Latest estimates place the entire loss at \$350,000. While no official figures are obtainable, the portion of this total from plate glass breakage has been estimated by adjusters to total less than \$20,000.

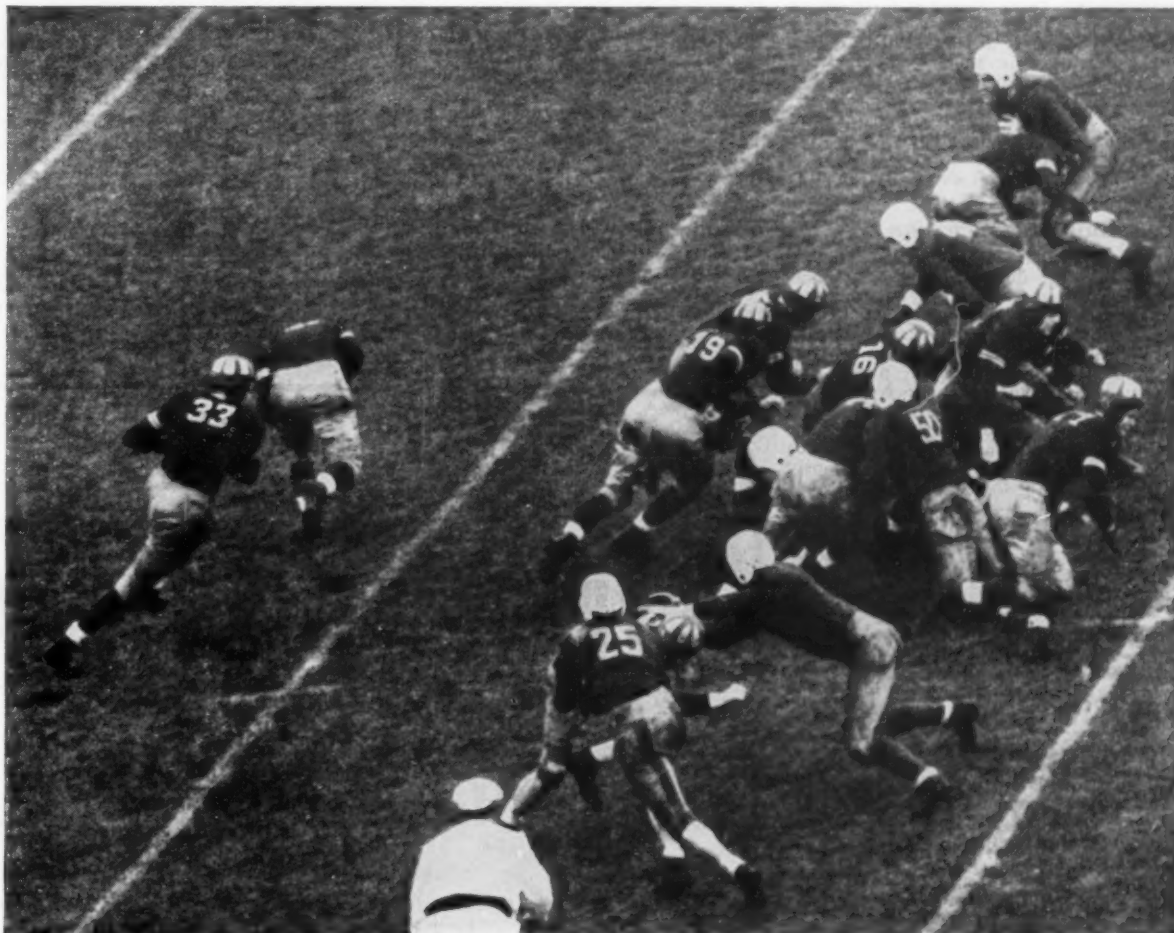


Photo by Keystone

## Smooth-running . . .

There's a grand example of timing . . . punch and confidence. A ground-gaining drive . . . successful because well-trained linemen and backs opened a hole.

Successful because of *teamwork!*

\* \* \*

In the insurance business, teamwork is just as important. That's why the Agricultural and the Empire State are such strong supporters of the American Agency System. We try hard to make routine as easy and smooth-running as possible for our representatives.

Present agents will tell you how we save time by keeping correspondence and reports to the minimum. They call us "Friendly Folks." They'll tell you about our capable fieldmen and the Home Office staff that gives exceptional co-operation because it understands local agents' problems.

\* \* \*

Probably, someday you'll want another strong American stock company. When that day comes, we'd like a chance to tell you our story more completely.

**Agricultural**  
Insurance Company  
of Watertown, N.Y.



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of Watertown, N.Y.

Every Type of Property Insurance for Industry and the Home.

## VIEWED FROM NEW YORK

By GEORGE A. WATSON

### SATURDAY WORK INCREASES

The New York insurance offices are much busier on Saturdays than they have been for a good many years. Some of the companies that have had staggered plans for Saturday work, such as one part of the organization being on duty each fourth week, now are working on a full time basis and others have reduced the number of Saturdays off for the staff. A good many more executives are to be found in their offices on Saturday than in past years.

The change is attributed to the fact that business is increasing and the work has multiplied, plus the fact that there is a great deal of inexperienced help in all of the offices. That is, there is more work to be done and at the same time the routine operations are being performed less efficiently and less quickly.

### BALLARD ESTATE CHANGE

Finding it impossible through pressure of other duties to serve as executor of the estate of the late Sumner Ballard, to which he was designated in the will of the latter, Henry J. Wyatt, vice-president of the Crum & Forster companies, retired from the post, being succeeded by the Bank of New York. In addition to his activities as an official of the Crum & Forster companies, Mr. Wyatt has for years been handling the estates of several persons previously identified with the organization.

### LONDON LLOYDS BUSINESS

Owing to the fact that the business of London Lloyds has been greatly restricted in the continent of Europe on account of the war, it is concentrating on the western continent. It has increased its special deposits in this country for the benefit of policyholders now to \$56,000,000. It is striking hard at those classes in which it is particularly interested.

London Lloyds does not write automobile finance business. It keeps away from that territory, taking only cases where the correspondent seems to present a case that justifies favorable action. It does no fire, theft or collision business to any extent but it does specialize on insurance that is applied for by someone who has some physical disability like the loss of an arm, loss of a leg, only one eye, etc. In such cases it will charge a higher premium but it is very careful in its selection. In fact, London Lloyds seems to be somewhat more restrictive in its underwriting than it has been.

It gathered a fine supply of premiums when it insured diamonds that were shipped from Amsterdam, Holland, to New York City. Amsterdam has been the center of the diamond industry but inasmuch as the country was overrun by Germany, diamonds were shipped across the water to New York and hence New York becomes the diamond center.

London Lloyds headquarters in London today are interesting in that it has a fully equipped sub-basement, bomb-proof, and can carry on its activities regardless of the city being bombed. It has all facilities set up in the sub-basement including a restaurant and living quarters.

Some of the agency correspondents on this side of the water are pushing their London Lloyds business especially where it will insure unique risks that are not generally accepted by regular companies.

### HOME WILL BE HOST

President H. V. Smith of the Home of New York has extended an invitation to the insurance commissioners and their staffs to a buffet supper and inspection of the H. V. Smith Museum of fire apparatus, insignia, etc., at its home office building, 59 Maiden Lane, New York, on Tuesday evening during the time the National Association of

Insurance Commissioners is meeting in the city.

A recent contribution to the fire fighting equipment and method museum is a section of an original water main laid in Milwaukee about 95 years ago, which ran to the old United States Hotel on the site of the present Mitchell building, in which the offices of the Milwaukee fire and casualty boards, and Wisconsin Association of Insurance Agents are located. The mains were made of 10-foot tamarack logs, hollowed out with a ship's auger and held together with wooden pegs. Robert Ebert, secretary of the Wisconsin association, secured a section of the main and sent it to Mr. Smith to be added to his collection. The mains were uncovered recently by paving crews.

### UNPAID EARNED PREMIUMS

Unpaid earned premiums of fire and casualty companies last June, as reported by the Central Bureau of New York totaled \$68,170, less by \$13,635 than the outstandings for the compar-

able period of 1940. Of the aggregate, \$11,330 was owing fire companies and \$56,795 casualty offices.

### QUEENS COUNTY ORGANIZES

The Queens County Brokers & Agents Association has completed organization, holding a meeting at Long Island City, N. Y. A. H. Goldberg, Long Island City, is elected president; G. P. Simone, Astoria, vice-president; A. Gretscher, Astoria, treasurer; John Brennan, Woodside, secretary; A. J. Holsinger, Astoria, financial secretary; Neal Goldberg, Astoria, public relations director; Harry Weber, Astoria, attorney. The advertising committee was asked to study plans for an advertising campaign in connection with the new motor vehicle safety responsibility law.

### SPECTATOR OFFICE MOVED

The New York editorial and sales headquarters of the "Spectator" have been moved back to the insurance district at 102 Maiden Lane. They have been located for several years in the mid-town section.

### ASSIGNED LOSSES INCREASE

Losses assigned to the committee on losses of New York Board for the first 10 months of this year amounted to \$4,-

803,056 which was an increase of 72.44 percent over the same period in 1940. Losses assigned in October were \$283,653, an increase of 3.13 percent over those of October, 1940.

A. E. Gilbert, vice-president of Hanover Fire left New York with Mrs. Gilbert and their two daughters to attend the wedding of his son, Lawrence, in Havana, Nov. 20, to Miss Grace McGovern of Havana.

Young Mr. Gilbert, a graduate of Dartmouth University, was formerly with the Marine Office of America, then joined the American International Underwriters Corporation. About a year ago he was transferred to the AIU's Havana office, and last July, when this organization established its new Cuban subsidiary, to supervise all business originating in Latin America and the West Indies, he remained there with the new company. Miss McGovern is the daughter of M. T. McGovern and Mrs. McGovern of Havana, where Mr. McGovern is president of the General Electric Company.

W. F. Casey, vice-president Accident & Health Club of New York, has charge of arrangements for the annual meeting Nov. 27.



## THANKSGIVING IS AMERICAN

YOU AND WE can be thankful! Why? . . . Because we live in the U. S. A.? . . . We've been spared the horrors of conquest? . . . We're in a proud and pleasant business? . . . Yes, and truly yes! But the thing to remember is that such blessings are not automatic—they are the rewards of work, farsightedness, service. . . . In the business of insurance it's the American agent, supported by the companies which he represents, who can perpetuate the things we're thankful for today. . .



★ ★ 1848 ★ ★  
Our ninety-third  
Thanksgiving!  
★ ★ 1941 ★ ★



## OHIO FARMERS INSURANCE COMPANY

Chartered 1848, LeRoy, Ohio

MEMBER • THE NATIONAL BOARD OF FIRE UNDERWRITERS

*C. D. McVay*  
PRESIDENT

. . . Through the American Agent — we Serve!

## Preliminary Report Issued by F. I. A. on Fall River Fire

The Factory Insurance Association has issued a photographic pamphlet on the fire at the plant of Firestone Rubber & Latex Products Co. in Fall River, Mass., in October. The pamphlet, which is being sent to policyholders, contains nine pictures of various phases and stages of the fire taken by the Fall River "Herald News." It also carries a page of comment. A detailed report is to be issued later.

This is probably the most serious fire loss that has ever occurred at a sprinkler protected manufacturing plant in the world, the F. I. A. comments. The F. I. A. had insurance on the manufacturing plant and also the insurance on the storage buildings where a large amount of crude rubber was stored. Its loss will approximate \$5,000,000.

### 18,000 Tons of Crude Rubber

The rubber storage was insured by stock companies, not through the F. I. A., and approximately 18,000 tons of crude rubber were involved, valued at approximately \$9,000,000.

The fire started in an all-metal, unsprinklered dryer used to dry "foamed latex rubber" in building No. 5. Sprinklers had been recommended for this dryer and assured had agreed to install them but had not done so at the time of the fire. The heat from the fire opened sprinklers in the room and these sprinklers had this fire under control until a watchman shut the water off the entire sprinkler equipment in building No. 5. The fire then burst beyond all bounds, spreading to the adjoining building No. 4, jumped 100 feet of clear space to the "100 group" of buildings and destroyed them with most of the rubber stored there. The blaze, which broke out Oct. 11, was not entirely extinguished until Oct. 18.

The F. I. A. comments that "no new lessons come from this tremendous fire loss. The fundamentals of fire prevention and fire protection are once more emphasized clearly and distinctly. These are: 100 percent sprinkler protection at all times, suggestions of the F. I. A. should be completed before the fire strikes, water should not be shut off sprinklers until the fire is actually extinguished, and all watchmen should be thoroughly instructed."

"This has been a costly experience and warrants the word on all our suggested lists: 'Fix it before the fire.'" the pamphlet states.

## Blast Damage Small But Raises Interesting Point Under Extended Coverage

A number of windows were broken in Peoria as a result of the explosion which destroyed two buildings of the Western Powder Company at Edwards, Ill., 12 miles away, last week. Four tons of powder being prepared for rifle ammunition were involved in the blast. The powder concern is a subsidiary of Du Pont, which self insures its powder plants.

Casualty companies are getting some claims for plate glass breakage. However, it is said the number will not be great. While claims for broken windows under extended coverage will be more numerous, the values represented in such claims will not be heavy. However, the question of liability under extended coverage is an interesting one.

### Attorney's Discussion

In an article written just before his death, R. J. Folonie, Chicago attorney, widely known for his work on insurance matters, went into the question of explosion at some length.

The element of distance is an important one in case of damages caused by explosions more or less remote from the place where the insured property is located, he wrote, but causing damage

solely by concussion or vibration of the air or of the earth. In many cases where the distance is great the question may be seriously presented whether or not the loss was within the contemplation of the parties to the contract.

Where there is considerable distance between the explosion and the damage, the case falls in a more or less doubtful category, Mr. Folonie wrote, and the proper conclusions probably rest upon the different facts in one case and another, indemnity being recoverable in one case and not in another.

Get Non-Resident Agency & Brokerage Laws. \$1. National Underwriter.

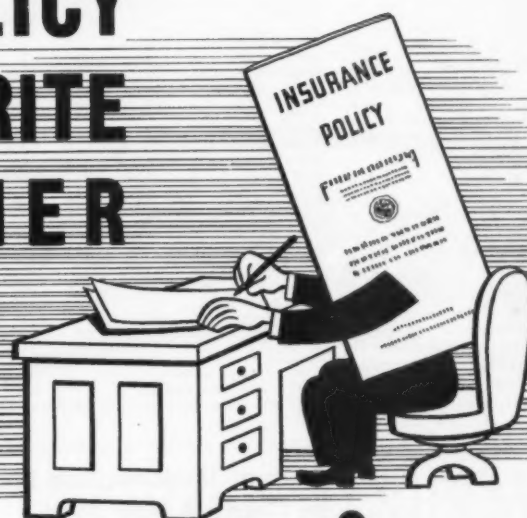
## Treasury Licenses on Desired Basis for U. S. Branches

The United States branches of companies domiciled in nations affected by the federal freezing orders have finally worked out arrangements with the Treasury department which are satisfactory to the insurers. One or two such companies are still operating under 15 day Treasury licenses, but these are the ones that are owned in

axis countries and not in axis dominated countries. The others now have a Treasury license, which is on an annual basis renewable July 1. That corresponds with the New York license year and hence is very convenient. Also these companies have obtained unlimited authority to pay losses. For a time the Treasury desired to permit the companies to pay only a specified amount each month in losses without getting specific authorization, but the Treasury finally agreed to give the unlimited authority.

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- 1 Through a friendly interest in your client's insurance needs, and the arrangement of coverages that are written to meet his particular requirements, you will become known as a dependable agent or broker...
- 2 When you deliver a policy explain its conditions in plain, simple English...
- 3 And this is important too, place the risk in a strong, reliable company—like one of the Fireman's Fund Group.



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Fireman's Fund Insurance Company — Occidental Insurance Company  
Home Fire & Marine Insurance Company  
Fireman's Fund Indemnity Company — Occidental Indemnity Company

SAN FRANCISCO . NEW YORK . CHICAGO . BOSTON . ATLANTA

## Blue Goose Deputies Named

### Regional Officers and Committee Chairmen Designated by Grand Nest

MILWAUKEE—R. A. Kenzel, grand wielder of the Blue Goose, this week announces the appointments of the new deputy most loyal grand ganders and committee chairmen, as follows:

Deputy most loyal grand ganders-at-large—H. H. Smith, Winnipeg, for Canada; E. W. Trenbath, Seattle, for western states; Richard E. Vernor, Chicago, for central states; Paul M. Fell, Philadelphia, for eastern states; Julius V. Bowman, Louisville, for Kentucky, Tennessee, Virginia, North and South Carolina; Jess L. White, Jackson, Miss., for Arkansas, Alabama, Mississippi, Louisiana, Oklahoma, Texas, Georgia and Florida.

Deputy most loyal grand ganders for Canada—E. S. Buchan, Calgary, for Alberta; Hugh P. Kirkup, Vancouver, for British Columbia; D. A. Hanson, Montreal, for eastern district of Canada; Roland Cheeseman, Toronto, for central district.

Deputy most loyal grand ganders for United States—Roy F. Owen, Portland, for Oregon and Washington; Chas. V. Templeton, Jr., Great Falls, for Utah, Montana and Idaho; Fred J. Grover, San Francisco, for northern California; Raymond Needham, Los Angeles, for southern California and Arizona; H. A. Amonette, Denver, for Colorado, Wyoming and New Mexico; H. A. Truslow, Honolulu, for Hawaii; John E. Jackson, Minneapolis, for Minnesota and the Dakotas; Irven E. Frey, Milwaukee, for Wisconsin; Allen C. Guy, Columbus, for Ohio; J. H. Bunten, Des Moines, for Iowa; George Steinkamp, St. Louis, for eastern Missouri; James E. Guy, Chicago, for Illinois; J. Y. Dickerson, Topeka, for Kansas; B. O. Robinson, Omaha, for Nebraska; Stuart Morgan, East Lansing, for Michigan.

S. R. Howard of Newark, for New York excluding New York City and New England; Robert Dunn, Philadelphia, for New York City, eastern Pennsylvania and New Jersey; Herbert Fahlgren, Parkersburg, for West Virginia and western Pennsylvania; E. Stuart Windsor, Baltimore, for Maryland and District of Columbia; C. R. Willcoxon, Atlanta, for Georgia and Tennessee; F. C. Newcomer, Raleigh, for Virginia, North and South Carolina; Claude Boykin, Birmingham, for Alabama and Florida; Chester Farrell, New Orleans, for Mississippi and Louisiana; R. C. Bird, Little Rock, for Kentucky and Arkansas; Charles Beale, Dallas, for Texas and Oklahoma.

Judge advocate—H. O. Wolfe, Milwaukee.

Committee Chairmen—Jurisprudence, H. O. Wolfe; constitution and by-laws, Stanley F. LeRiche, Montreal; ritual, J. R. Lachance, Montreal; memorial, F. G. Chandler, Toronto; emblem, W. T. Benallack, Detroit; educational, S. L. Sterling, Winnipeg; publicity, M. R. McGruder, Atlanta.

## CALLED TO SERVICE

D. Neal Iverson, Jr., son of the assistant United States manager of Century, is now stationed at Wadesboro, N. C., as second lieutenant in the quartermaster's corps. He attended Nichols College in Connecticut where he got special training in quartermaster work and then during the past summer he took army extension work.

C. B. Shelton, Jr., special agent at Jacksonville, Fla., for Hurt & Quin, Atlanta general agents, has reported to the army, being a reserve second lieutenant of field artillery. C. A. Atkins takes over his work.

## STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business Nov. 17, 1941.

	Par	Div.	Bid	Asked
Aetna Cas. ....	10	4.50*	128	134
Aetna Fire ....	10	1.80*	55 1/2	57 1/2
Aetna Life ....	10	1.40*	27 1/2	29
Amer. Alliance ..	10	1.20*	22	23 1/2
Amer. Equitable ..	5	1.00	19 3/4	21
Amer. Home ....	10	...	5 3/4	7
Amer. (N. J.) ...	2.50	.60*	14	15
Amer. Surety ....	25	2.50	49	52
Automobile ....	10	1.40*	38	40
Balt. Amer. ....	2.50	.40*	6 3/4	7 1/2
Boston ....	100	21.00*	655	675
Camden Fire ....	5	1.00	20 1/2	21 1/2
Carolina ....	10	1.40*	30	32
Contl. Cas. ....	5	1.50*	32	33 1/2
Contl. N. Y. ....	2.50	2.20*	43 1/2	45
Fidelity-Phen. ...	2.50	2.20*	43	45
Fire Assn. ....	10	2.50*	69	72
Firemen's (N.J.) ..	5	.40	9	10
Franklin Fire ...	5	1.40*	29	31
Gen. Reinsur. ...	5	2.00	43 3/4	45
Georgia Home ...	10	1.20*	25	27
Glens Falls ....	5	1.60	43	45
Globe & Repub. ...	5	.50	9 1/2	10 1/2
Gt. Amer. Fire ...	5	1.20*	27	28 1/2
Gt. Amer. Ind. ...	1	.20	10	12
Hallifax ....	10	1.00**	12	14
Hanover Fire ...	10	1.20	25 1/2	27
Hartford Fire ...	10	2.50*	87	90
Home Fire Sec. ...	10	...	75c	1 1/4
Home (N. Y.) ...	5	1.60*	29 1/2	31
Ins. Co. of N. A. ..	10	3.00*	78	81
Maryland Cas. ...	1	...	3	3 1/2
Mass. Bonding ...	12.50	3.50	60	62
Mer. (N.Y.) Com. ..	5	2.00*	52	54
Natl. Cas. ....	10	1.00	30	32
Natl. Fire ....	10	2.00	62	64
Natl. Liberty ...	2	.40	7 1/4	8
Natl. Un. Fire ...	20	5.00*	163	167
New Amst. Cas. ...	2	.87 1/2	19 1/2	21
New Hampshire ...	10	1.80*	44	46
Northern (N.Y.) ..	12.50	5.00*	101	104
North River ...	2.50	1.00	25	26 1/2
Ohio Cas. ....	5	1.40*	44	46
Phoenix, Conn. ...	10	3.00*	87	90
Preferred Accl. ...	5	1.00	15 1/2	16 1/2
Prov. Wash. ....	10	1.40*	34	36
St. Paul F. & M. ...	62.50	8.00†	262	270
Security, Conn. ...	10	1.40	39 1/2	41 1/2
Sprgfld. F. & M. ...	25	4.75*	120	124
Standard Accl. ...	10	2.50	52	54
Travelers ....	100	16.00	385	405
U. S. Fire. ....	4	2.00	53	55
U. S. F. & G. ...	2	1.00	25	26

\*Includes extras.  
\*\*Canadian funds.  
†Paid \$2 special dividend total \$10 this year.

### Mutual Underwriters Meet in Chicago Nov. 24-25

Insurance problems engendered by the defense program will be discussed at the annual underwriters' conference of the Federation of Mutual Fire Insurance Companies at the Hotel Stevens, Chicago, Nov. 24-25. More than 100 underwriting executives will participate.

The effect of priorities on use and occupancy underwriting will be analyzed by B. C. Vine, Millers Mutual Fire, Alton, Ill., followed by an open discussion. The general underwriting problems incidental to the defense program will be outlined by R. E. Nelson, Central Manufacturers Mutual, Van Wert, O.

W. H. Rodda, Washington, D. C., will discuss the fire hazards of plastics; Gordon Davis, loss research; R. D. MacDaniel, Grain Dealers National, inspection under present conditions; T. L. Osborn, Jr., National Retailers Mutual, aircraft hull coverage; Ambrose B. Kelly, general manager American Mutual Reinsurance, catastrophe coverage; K. K. DuVall, vice-president City National Bank & Trust, Chicago, business conditions; H. L. Gross, Iowa Tornado Insurance Association, tornado risks.

H. M. Wardwell, Middlesex Mutual Fire, automobile; A. C. Nicolet, Dun & Bradstreet, credit reports, and A. V. Gruhn, secretary of the federation, general underwriting.

C. R. Tuttle, retired western general manager of the North America, is leaving next for La Jolla, Cal., for the winter. He went to Chicago early last summer, intending to go on to the east, but was unable to do so because of the condition of his health. He has been residing at the Webster hotel in Chicago.

Sell more accident with "Why Disability Insurance" booklets. 100 copies \$2. Order from National Underwriter, 175 W. Jackson Blvd., Chicago.

# THE ALLIANCE AGENT

Many agents are finding it especially easy and profitable this year to sell Rental Value Insurance to homeowners. Because both building materials and skilled labor are scarce and high-priced, agents report that it's not hard to convince an owner that he needs to protect himself against the fire or other disaster that may drive him out of his home and make him pay rent.

The high cost of building repairs... the delays in getting materials and labor... today's higher rents... these sales arguments plus an Alliance Folder, "Every Property Owner Needs Rent Insurance," are helping Alliance Agents to write more Rental Value policies.

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Service Offices located in principal cities. Complete nation-wide insurance facilities for Agents and Brokers.

## Late Casualty News

### Ohio Agents Gather Data on Financial Responsibility Law

COLUMBUS—The Ohio Association of Insurance Agents has appointed a committee consisting of George E. Corby, Cleveland, chairman; Carl Duerr, Canton, and Paul R. Gingham, Columbus, counsel for the association, to study and gather material for preparation of a financial responsibility law.

Another committee has been appointed to investigate and make recommendations as to the policy of the National Automobile Underwriters Association in offering a deviation in the rate on financed cars. On this committee are George I. Goodman, Cleveland, chairman; Gustave May, Cincinnati, and Cyrus H. Watson of Dayton.

Harry T. Minister of Columbus has been appointed chairman of a committee to consult with educational institutions in Ohio regarding the establishment of some sort of insurance training courses in educational institutions. These courses would be made available to present insurance agents and those who desire to engage in the business.

### Extend Coverage on Wife by Endorsement

The Conkling, Price & Webb Agency of Chicago through London Guarantee has originated a plan for providing medical reimbursement coverage on the wife through endorsement of the husband's accident policy. C. P. & W. has exclusive rights to this arrangement. It finds that the agents and brokers are very enthusiastic and believes that many sales will be created that would not be made if it were necessary to issue a separate contract to the wife. The rider may be attached to any accident policy of the husband. It extends \$500 blanket medical reimbursement coverage on the wife at a cost of \$11 instead of \$15 which is the cost under a separate contract. For each additional \$100 of coverage there is an additional premium of \$1. All that is called for is a brief questionnaire form to be completed by the husband.

### Travelers to Pay 8 1-3% Cost of Living Bonus

HARTFORD—Eleven thousand Travelers home office and field employees will receive additional compensation for the coming year equal to 8 1-3 percent of annual wages or salary subject to a limit of \$500 per person. Payments are to be made quarterly, starting about Dec. 15. The purpose is "to aid in meeting the demands of existing economic conditions."

### Must File Auto Forms in Va.

RICHMOND—All companies writing automobile bodily injury and property damage coverage in Virginia must file with the insurance department by Dec. 15 all policies they intend to use after Jan. 1, according to an order of the state corporation commission. All forms must be in triplicate. Any changes or additions afterward must be approved by the bureau. Heretofore, the commission had set rules and rates without requiring specific approval of the forms used.

### Install New Seattle Officers

The Seattle Accident & Health Managers Club staged its annual hi-jinx and installation of officers Nov. 14. Howard R. Henderson, Massachusetts Protective, is the new president; Harry Wares, Washington National, vice-president; and Herbert Allen, Metropolitan, secretary-treasurer.

### McDowell to Speak in Boston

BOSTON—George McDowell, Commercial Casualty, Newark, will speak

on "Group Insurance, the Key to the Future," at the Dec. 11 meeting of the Boston Accident & Health Association.

### Naval Base Insurance Setup

The recent government award of a contract to the Frederick S. S. Corporation of New York for building a U. S. naval base on Great Exuma Island involved also the construction of a hospital for the care of workers on this project.

In addition to issuing policies in Commercial Casualty covering workmen's compensation and public liability on the contractor's operations, the American International Underwriters has undertaken the planning, equipping, staffing and operation of the hospital, these costs being included in the policy premium.

Dr. J. Albert Avrack, vice-president and medical director of United States Life, supervised the selection of the hospital's personnel and chose the equipment.

### Pacific Mutual Cuts Age Limit

Pacific Mutual Life has reduced the age limit for its "Pacific feature" or "Pacific feature D" reimbursement policies on children attending school from kindergarten on. The limits are \$1,000 loss of life; \$5,000 capital sum and

\$1,000 reimbursement. Boys are accepted Class B and girls Class A.

### Opposes Surcharge for All Certificated Risks

NEW YORK—J. J. Magrath, vice-president of Chubb & Son and previously chief rater of the New York department, in an open letter to the insurance fraternity, holds it a mistake for the casualty companies to impose a surcharge of 10 percent upon all certificated risks under the new responsibility law of New York. He admits the logic of imposing the surcharge upon those driving while intoxicated or at excessive speed, but declares it unfair to penalize those classified as concerned in "other cases." It is wholly possible, Mr. Magrath asserts, for a motorist to be penalized should his parked car be struck by a passing machine, and declares that carrying out the intended program will create a feeling of hostility toward insurance companies and the motor vehicle department that will go a long way toward offsetting the good features of the new financial responsibility law.

William G. Mouch, 49, prominent casualty insurance man of Columbus, O.,

was shot and killed while hunting near Bowling Green, O., Tuesday. The gun was discharged as his wife handed it to him from an automobile. Mrs. Mouch has a reputation as a marksman and accompanied her husband on his hunting trips.

### Plan Bureau Dinner in Seattle

SEATTLE—National Bureau of Casualty & Surety Underwriters company representatives in Washington will sponsor a dinner meeting here early in December at which producers will be guests. The Casualty Insurance Association of Washington will serve as host. D. V. Fielding, Fireman's Fund Indemnity, heads the committee handling arrangements.

At the November meeting of the Women's Insurance Club of Long Beach, Cal., Frank T. Homer, special agent Hartford Accident, explained revisions of the standard automobile policy.

Robert R. Hubner, superintendent of the bond department of Great American Indemnity in Chicago, entered a hospital Tuesday evening to undergo an operation to correct a condition that has existed for some time.

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## Explains Effect of Priorities on Replacements

CLEVELAND—W. T. Walker, district manager, Priorities Field Service Division, OPM, spoke to the Cleveland Field Club on "Priorities in Relation to Fire Insurance and Allied Coverages."

Mr. Walker explained the rating system for allocating materials. After a fire it is necessary to determine the extent of damage and the amount and class of defense work engaged in. OPM not only wants a report but also pictures of the fire damage. Then the Washington office of OPM assigns priority ratings for each type of replacement needed according to speed that government feels is necessary. Each fire damaged plant is an individual case.

### May Change Overnight

Mr. Walker acknowledged that priority ratings might change overnight. The government, he said, is trying to distribute work to small plants not only for production requirements, but also so that one fire cannot tie up the entire industry.

The entire purpose of priorities, Mr. Walker explained, is to get the thing that is needed most out first. A government train is going through the country, he said, with OPM men aboard to explain to small manufacturers where they can fit into the defense picture. Priority men accompanying the train will explain ratings.

A. C. McCabe, retired state agent National Union, was made an honorary member of the Cleveland Field Club. Secretary F. J. Breen of the National Union was in Cleveland to attend the meeting.

## Companies Must Answer Questionnaire by Dec. 29

Commissioner Caminetti of California has granted the companies an extension of time until Dec. 29 to complete the complicated questionnaire which he sent out Nov. 5 regarding interstate multiple location policies. He has stated that no extension beyond that date will be granted.

Fire insurance people are speculating as to the reason for the issuance by the California department of its questionnaire regarding interstate and multiple location risks. The prevailing impression is that it was suggested by the recent question raised by the New York department concerning rating practices of casualty companies on interstate risks, a matter that unquestionably will come up when the National Association of Insurance Commissioners meets here Dec. 8-10.

While the fire men have no objection to supplying the data called for by the California department, and will see that it is furnished within the required time limit, they state it will throw a lot of additional work upon their accounting staffs at a time when every effort is being centered upon preparing figures essential at this period of the year. California has neither a rating nor an anti-compact law and hence the department's questionnaire would have no bearing in either relation.

### Argue in Mo. Contempt Case

KANSAS CITY—The U. S. circuit court of appeals has taken under advisement arguments that a three-judge federal court here erred in admitting as evidence part of the record in earlier phases of the Missouri fire rate case, when it found T. J. Pendergast and R. E. O'Malley guilty of contempt of court. The lower court sentenced the two to two years in prison.

The contempt case will be argued before the appeals court at the March term. The U. S. Supreme Court recently held that the case should be heard before the appeals tribunal, not the Supreme Court.

## Cleveland Agency Holds 50th Anniversary Dinner

CLEVELAND—The 50th anniversary of the Cleveland Insurance Agency was celebrated at a staff dinner here. Founded in 1891 by E. Shriver Reese, who operated under his own name, the agency became known as the Reese-Owen Agency in 1910. When Robert H. Crowell joined the firm in 1914, the name became Owen, Crowell & Co. Later, in 1916, the name was changed to Owen, Crowell, Laurensen & Co. but in 1925 it again reverted back to Owen, Crowell & Co. The firm adopted its present name of Cleveland Insurance Agency in 1930 when F. Buchanan Owen was president.



E. B. Berkeley

Present officers are E. B. Berkeley, president; Robert H. Crowell, senior vice-president; Robert H. Pfeil, vice-president; George I. Goodman, vice-president; Charles F. Stewart, vice-president, and Leroy W. Theis, secretary-treasurer.

The Cleveland Insurance Agency has gotten out a handsome lithographed brochure in a limited edition entitled "Fifty Years." It contains many historical references, pictures, statements about various coverages that are provided and the story of the agency as it exists today including pictures of the principal men in the office.

## Reports on Foreign Nationals Credits Big Job

NEW YORK—While the period within which insurance companies were required by the treasury department to report credits of \$1,000 or more held for the benefit of foreign nationals as at June 1, 1940, and also as at June 14, 1941, was extended from Oct. 30 to Nov. 29, the concession was not granted to brokers, except upon individual request. Several hundred filings have already been made, and other applications are being submitted daily. Failure to comply with the regulation lays one open to a penalty of \$10,000 fine, or 10 years in jail, or both.

Compliance with these regulations has entailed a tremendous amount of work for the insurance companies. Many questions arose and it was frequently difficult to get a satisfactory answer from the government authorities. The machinery was hurriedly put together and the government people were just as much at sea as those required to make the reports. The usual answer to any question regarding whether a certain item should be reported was that if any doubt existed it should be reported.

One question was whether a foreign national residing in the United States had to be reported. The decision was that anyone residing in the United States on April 1, 1940, should be regarded as a licensed national. The search for such credits was thus pretty largely narrowed to those of persons residing in foreign countries exceeding \$1,000.

## Chubb Forms New Cuban Insurance Company

NEW YORK—With capital of \$100,000 and net surplus of \$10,000 the recently organized Federal Insurance Company of Cuba has been authorized to write fire and casualty lines throughout the island. Hendon Chubb, president of Federal of Jersey City, and head of Chubb & Son of this city, is also chief executive of the new Cuban enterprise, of which Dussaq & Toran, Havana, are the home agents, as they are likewise Cuban representatives of Federal of New Jersey, which has been operating in Cuba for several years.

## Group of 3 Factory Mutual Units Is Cut to Single Insurer

BOSTON—Taking advantage of new legislation passed this year which allows insurance companies to merge without setting up a complete new company and permits of continued representation in states where already admitted without application for readmission, Industrial Mutual and Rubber Manufacturers Mutual, both of Boston, have been merged with Cotton & Woollen Manufacturers Mutual of Boston, and the three companies will be continued under the name of Cotton & Woollen Manufacturers on and after Dec. 31st, subject to approval of the commissioner. The combined companies will have cash assets of \$5,500,000 and surplus of \$3,300,000. The three companies have been operating as a group within the factory mutual system.

Officers of the combined companies will be the same as formerly have served Cotton & Woollen Manufacturers: President, E. H. Williams; vice-president and engineer, W. P. Land; secretary-treasurer, C. H. Clough; assistant sec-

retary and assistant treasurer, R. D. Culver; assistant secretary, H. P. Farwell. The company is licensed in the six New England states.

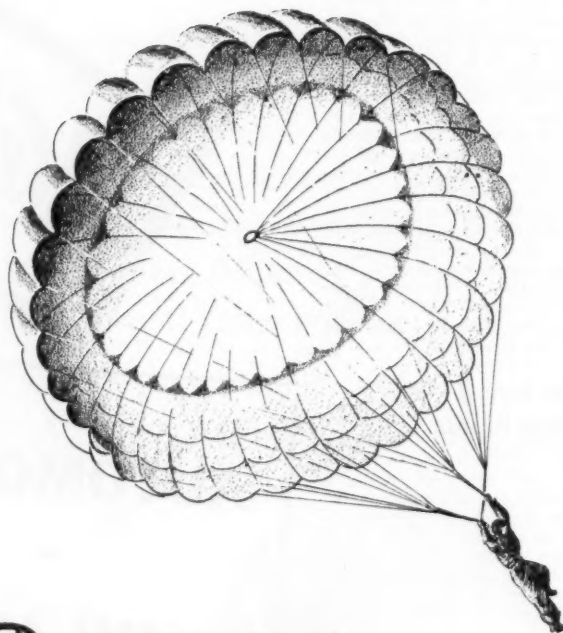
There are now but 12 companies in the factory mutual system, and there are now but two groups of companies left—Protection Mutual of Chicago and Boston Manufacturers Mutual. The 12 companies are:

Manufacturers Mutual Fire, Cotton & Woollen Manufacturers, Boston Manufacturers Mutual, Fall River Manufacturers, Worcester Manufacturers, Protection Mutual, Mill Owners Mutual of Chicago, Firemen's Mutual, Arkwright Mutual, Blackstone Mutual, What Cheer Mutual, and Philadelphia Manufacturers Mutual.

Boston Manufacturers Mutual Fire and Paper Mill Manufacturers Mutual met Tuesday and approved the merger of the latter company with the former.

### Official's Wife Recovering

Mrs. Fred Bertiaux, whose husband is secretary of Hanover Fire at the head office, underwent a severe operation more than two weeks ago and there were complications, so that her condition for a time was critical. However, she is now out of danger and is making good recovery.



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## Photographic Record of Defense Fires

The National Fire Protection Association has gotten out a very effective publication entitled "National Defense Fires." It includes reproductions of 18 full page photographs of important fires that have occurred in recent months in plants turning out defense products with a foreword stating that these fires are typical examples of recent spectacular fires that have been and are hampering defense production. No fire department, however efficient, the publication states, can prevent serious loss after fire has once reached major proportions in a large area of combustible materials.

There is danger in concentrating all attention upon prevention of sabotage to the exclusion of adequate thought to ordinary fire causes, the N.F.P.A. points out. Fire is equally destructive whether caused by an act of sabotage or carelessly discarded cigarette.

The measures of fire prevention and fire protection that should be employed to prevent these disastrous losses are well known.

The fires that are illustrated are those at Fall River, Mass., the Standard Oil refinery at Whiting, Ind., the grain elevator fire in Chicago last July 24, lumber yard in Philadelphia last May 15; Boston warehouse fire Sept. 18; magnesium explosion in Newark, Oct. 16; Canton, Mass., rubber plant, April 2; warehouse fire in New Orleans, March 12; Baltimore cork fire, Sept. 17; Brooklyn waterfront fire, Aug. 18; Blasdel, N. Y., abrasives plant, Aug. 18; Jersey City water front fire, May 31; Wheeling W. Va., machine products plant, June 8; Portland, Me., airplane propeller factory, Oct. 26; and the National Bronze & Aluminum Company fire at Cleveland, Sept. 30.

## Insurance Teachers to Meet in New York Dec. 29

The American Association of University Teachers of Insurance will hold its annual meeting in New York, Dec. 29, at the Biltmore Hotel. As usual, this meeting will be held simultaneously with a number of other educational association gatherings.

The following nominations have been made for the coming year: President, E. L. Bowers, Ohio State University; vice-president, F. G. Dickinson, University of Illinois; secretary-treasurer, C. A. Kline, University of Pennsylvania; member of executive committee, H. J. Loman, University of Pennsylvania.

David McCahan, University of Pennsylvania, is the present president and Professor Bowers is vice-president. Robert Riegel, University of Buffalo, is chairman of the nominating committee.

## Smethurst in Santa Monica

Harold Smethurst, assistant manager fire and inland marine department of the Travelers Fire, Los Angeles, addressed the Santa Monica Insurance Agents Association on "Why Should We Insure with a Capital Stock Company," under the auspices of the Southern California Fire Underwriters Association.

The Insurance Girls Service Club of Los Angeles held its annual fall dinner dance Nov. 14. More than 400 participated. The regular meeting was held Nov. 18.

## Big Turnout for Williams Dinner in Indianapolis

About 150 members and guests of the Indiana Pond of the Blue Goose gathered Monday night to honor Irving Williams, editor of "Rough Notes" and wielder of the goose quill. The event was in celebration of his 35th anniversary as a charter member of the Indiana pond, of which he has been wielder for 33 years.

Mr. Williams was presented with a handsome pair of desk pens with a gold inscription and a handsome desk clock. The occasion was the regular monthly meeting of the pond but a number of veteran ganders who have flown to other fields returned to take part in the testimonial. A large number sent letters or telegrams of affection and esteem, which were presented to Mr. Williams after the meeting. The glee club of the pond, which had more or less fallen into abeyance, got together again and presented several numbers during the dinner.

### Many Bring Felicitations

J. Ray Hull, Union of Indiana, most loyal gander, presided. Ralph S. Hull, Fireman's Fund, past most loyal grand gander, brought a message from the grand nest. Oscar C. Gleiser of the Commercial Union group and vice-president American Central, was among the speakers and brought a message from Fred W. Koeckert, U. S. manager, whose induction into the Indiana pond preceded Mr. Williams' by 23 days.

Others who said a word of greeting were Homer Burlingame, assistant manager, Western Adjustment; Albert J. Wohlgenuth, president Rough Notes Company and John F. Wohlgenuth, president National Underwriter Company; Frank J. Viehmann, Indiana commissioner; Dana L. Jones, superintendent of agents, Ohio Farmers; James A. Bawden, Springfield Fire & Marine, who read a poem on friendship.

The presentations were made by Mr. Hull and George R. Pritchett, American of Newark. W. R. Caskey, Indiana manager Travelers Fire, convulsed the gathering with the presentation of what appeared to be an extraordinarily valuable watch which he unfortunately dropped on the floor and had to present finally in a paper bag. J. J. Ronayne, Commercial Union, was in charge of the glee club and R. Watson Moon, Bankers & Shippers, was soloist.

### Absentees Send Messages

Among those who sent letters or telegrams were Carl Claussen, western manager, London & Lancashire; R. G. McCullough, Fireman's Fund; Hugh W. Donnan, special risk department, Hartford Fire, and C. M. Cartwright, editor, THE NATIONAL UNDERWRITER, all of Chicago; F. C. Richardt, president, Indiana Association of Insurance Agents, Evansville, and Harry E. McLain, executive secretary of the association, Indianapolis; Spencer Welton, vice-president, Massachusetts Bonding, Boston; W. J. E. Webber, Western Adjustment, Chicago; R. A. Kenzel, grand wielder, Milwaukee; W. T. Benallack, past most loyal grand gander and present wielder Michigan pond, Detroit; Oscar B. Brown, Security of Iowa; Junius M. Clark, executive special agent, New York Underwriters, Chicago; Ira D. Goss America Fore, Rochester, Ind.; H. J. Lambin, agent, Chicago; Ross J. Harmon, Home, Springfield, Ill., and C. Otto James, agent Indianapolis.

## Agents to Hear Harold Hyer

NEW YORK—Harold Hyer, New York City adjuster and insurance director of the New York World's fair, will be the speaker at the Nov. 21 luncheon meeting of the Richmond County Association of Local Agents.

## Duboc Offers to Buy Control of Am. Savings Life

KANSAS CITY—Ray B. Duboc, president of Western Fire and Western Casualty of Fort Scott, Kan., with executive offices in this city, has made an offer to purchase the controlling block of stock in American Savings Life of Kansas City. This is a personal transaction and does not involve Western Fire or Western Casualty. However, Mr. Duboc will have associated with him in the deal other officers and individual stockholders of the Western companies and it would be the intention of the group to operate the life company in close affiliation with the fire and casualty units, but with no financial connection between them.

Mr. Duboc offered to purchase 35,000 shares of stock of American Savings Life. The offer was made to W. B. Bastian, trustee for Underwriters Syndicate, Inc., which owns 60,000 shares of stock of American Savings Life. Underwriters Syndicate recently filed for reorganization under the Chandler bankruptcy act. Mr. Duboc's offer is contingent on his securing a four year option to purchase the remaining 25,000 shares owned

by the syndicate. This would be coupled with an irrevocable power of attorney to vote these 25,000 shares.

A hearing is being held in the federal court Friday on the plan which has been presented by the trustee for the reorganization of the syndicate. It will not be known until after that time whether Mr. Duboc's offer will be accepted or what other disposition may be made of this block of stock of American Savings Life.

American Savings Life was formed in 1928 and reinsured Empire Mutual Life of Kansas City and Equitable Savings Life in the same year. In later years it reinsured Western States Life of Clayton, Mo., Sedalia Life of Sedalia, Mo., Home States Savings Life of Springfield, Ill. Sentinel Life of Kansas City was merged with American Savings in 1934. As at Dec. 31, 1940, assets amounted to \$2,480,699, policy reserves \$1,730,500, capital \$200,000, net surplus \$54,289, insurance in force \$13,748,443. F. P. Sizer, Jr., is president, J. T. Mayall, vice-president and K. W. Wood, secretary.

John D. McKee, for ten years superintendent of fire business of Automobile in Boston, for some time with Charles Haas & Co., Boston, and more recently with Kaler, Carney, Liffier & Co., has gone with Philip Richenburg Co. agency.

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PORTLAND HEAD LIGHT, at the entrance to Portland Harbor, Maine, is one of the most visited lighthouses on the Atlantic. Begun by the Colony of Massachusetts in 1790, the funds available were not sufficient to complete it, and it was not lighted until taken over by the Federal Government and fitted with a lantern in 1791. Of historical interest is the fact that this lighthouse is one of the four authorized by George Washington and now standing as originally constructed. Thousands of summer tourists enjoy the beautiful panorama of the 365 islands in Casco Bay, a view unexcelled by any headland on the Atlantic Seaboard.

Over 12 lighted beacons that guard our coast can be seen from Portland Head on a clear night.

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## EDITORIAL COMMENT

### Golden Bowl Broken Too Soon

Is the pace of life getting so strong that men break right at the zenith of their power? It would seem so. Just within the last few days we had five notable instances. Men in the prime of life, well known in the insurance domain, died suddenly. Hugh T. Martin, well known insurance attorney of Chicago for many years president of the Illinois Bankers Life of Monmouth, Ill., and recently made chairman of its finance committee, had been at his home during the day and died that night without warning. J. J. Hoey of New York City, collector of internal revenue, a well known insurance man and a former company executive, went to Baltimore to see the Notre Dame-Navy football game and died in a hospital at Baltimore from a cerebral hemorrhage. W. J. Wandrey, secretary and treasurer of the National Guardian Life of Madison, Wis., together with his

wife was driving to a point in Wisconsin to get their daughter and take her home for the week end. Suddenly he was attacked while at the wheel, became unconscious, was carried by a passing motor to a hospital nearby and died. E. J. Bond, president of the Maryland Casualty, seemingly in good health, succumbed from a heart attack at his office after doing a full day's work. Then J. J. Graham, vice-president of Hartford Steam Boiler, died Monday morning as he was preparing to leave for the office.

These are tragic circumstances. It makes everybody look up and listen. If life's complexities, burdens, problems and worries are killing off men like this in the twinkling of an eye, then we have Enemy No. 1 right in our midst. There must be something wrong with our way of living. The strain is too great. There should be a way to lessen it.

### Plan Should Be Resuscitated

At the recent annual dinner of the Alpha Chi Epsilon fraternity in Chicago, the sentiment was very strong in favor of reviving the educational plan that was put into effect in Chicago in connection with Northwestern University and New York City with Columbia. The Alpha Chi Epsilon fraternity members consisted of those that were taking the special insurance course. This procedure was inaugurated and more or less maintained by fire insurance companies, because the young men taking the course had their tuition paid by the companies and they were given positions in the offices that acted as their sponsors. They worked a half day, also on Saturdays, and during the summer vacation.

This plan was started in order to give

instruction to young men who wanted higher education than could be gotten in public schools. It was found that where young men had gone beyond the high school, their efficiency and usefulness increased.

Then came the depression when it seemed necessary to lop off many employees rather than take any more on. Hence the insurance course was discontinued. It consisted of both vocational and cultural studies. It was a real success and those that took it and became permanently attached to the insurance business made a very commendable record. We need today young men of high caliber, education and continuing capacity to study and think. In our opinion this arrangement was very constructive.

### President Bond's Strong Points

PRESIDENT E. J. BOND of the Maryland Casualty, whose life was suddenly snuffed out by a heart attack, left this world all too soon because he was at the very acme of his usefulness and capacity for constructive achievement. Fortunately he was well acquainted with and admirably trained in the business that he so effectively served. He came up through the ranks in the same company during his business career. Therefore he had an intimate knowledge of the internals of that particular institution.

In his earlier days Mr. Bond was sent to New York City to attend committee

and organization meetings. It was rather a stiff assignment because it meant many trips and nights on sleepers. It was often an arduous task. Yet it gave him abundant opportunity to meet other officials, obtain their views, measure their capabilities. He obtained a broader conception of the business as a whole.

While a man may possess a vast amount of knowledge regarding his own business, yet when it comes to administering a company as its chief executive he may fail, at least to a large extent because he lacks the faculty of reaching correct conclusions and is unable to ex-

tend his faculties beyond his own immediate domain. Mr. Bond was successful as president of his company. He certainly rendered a tremendous service during the days when the Maryland Casualty had to go to the R.F.C. for a loan. As he advanced in position he grew in mental stature.

Perhaps one feature of Mr. Bond's makeup came to the front as much as any other and that was his power to assimilate information that had a bearing on his own business. He seemed to have the tentacles of an octopus when it came to reaching out and gathering knowledge of intrinsic value.

Many chief executives are inclined to be domineering and assume a dictatorial power. Mr. Bond showed his excellent good sense by taking into consideration the other men about him and, therefore, he was vitally interested in building the organization as a whole rather than trying to keep himself on a pedestal. When he discovered that one in his employ-

was successful and showed good horse sense he gave him plenty of latitude.

Another characteristic of Mr. Bond that was always interesting was his tolerant attitude toward those in his own organization and elsewhere. He always reached his conclusions deliberately. He took nothing for granted. He was not impulsive in reaching his judgment. He wanted to hear all sides. When a complaint came to him immediately he tried to find the story of the person against whom a complaint was made.

As Mr. Bond moved up the ladder his keenness of perception became sharper. He was able to penetrate beneath the veneer and gloss. He had the respect and esteem of his competitors and, in fact, all in the business for he was recognized not only as a successful administrator and a man who had a comprehensive knowledge of the business but he believed in fair play and giving everybody a chance to exist and prove his worth.

## PERSONAL SIDE OF THE BUSINESS

Frank G. Row, well known in Grand Rapids, Mich., who on his 75th birthday was honored by the Grand Rapids Association of Insurance Agents, is held in high regard by all in the business in his city. Archie B. Millard was program chairman and Mr. Row's son, Frank D. Row of Detroit, who is state agent for the Springfield F. & M., was on hand. Mr. Row himself formerly held that position. L. J. McVoy, president of the association, was in charge. C. G. Watkins, Fred M. Utley, Col. John G. Emery, former insurance commissioner, and Mr. Millard gave some amusing experiences in Mr. Row's career. Mr. Row is a former president of the Michigan Association of Insurance Agents. He is a former chairman of the Grand Rapids Association of Commerce.

W. H. Wiley of Hartford, who has been elected secretary-treasurer of the Connecticut Association of Insurance Agents, is manager of the Tuller-Wiley Agency. Mr. Tuller died some time ago and Mr. Wiley is now the active head.

Roland H. Gwyn of the United States head office of Century has recently obtained a private flyer's license. He has been getting his experience for more than a year at Roosevelt Field.

William A. Eastman, chairman of Sunset Life and Sunset Casualty and president of Sunset Underwriters of Seattle, is on an eastern visit. He was in New York several days and then went to Maine to visit relatives. He will spend a few more days in New York before returning to Seattle.

R. R. Johnson, well known local agent, was elected mayor of Salem, O., by a majority of more than three to one. Mr. Johnson ran on the Republican ticket. He is a native of Salem. He was in the real estate and insurance business from 1904 to 1918. From 1908

to 1913, he was justice of the peace. He was elected mayor of Salem, Jan. 1, 1914, serving four years. He was appointed state agent of the Minneapolis Fire & Marine in 1918, resigning in 1932. He again entered the local agency field in 1934. He was elected justice of the peace last year and is still in that position.

K. S. Ogilvie, western and southern manager of Norwich Union, is a frequent visitor in New Haven this fall especially on the days when the Yale freshmen football team is in action, as his son, Richard, is a member of the squad.

D. J. Munro, Indiana special agent of Hartford Fire, has joined the honorable order of grandfathers with a double certificate—twins. The father, J. R. Munro, is special agent of Union of Indiana in Ohio. The youngsters have been named Donald and James after their grandfather and father.

Arthur J. Weed, who has served Norwich Union for 50 years, since 1908 as special agent in Boston, was given a dinner in New York City Monday evening by company officials in recognition of his long service.

E. G. Frazier, vice-president Springfield Fire & Marine, accompanied by Mrs. Frazier, on his return from a vacation in California stopped in San Antonio and Houston, Tex.

In reporting the death of Mrs. Fred H. Sabin in the Nov. 13 edition, THE NATIONAL UNDERWRITER neglected to state that one of the survivors is a son, Fred H. Sabin, who is well known in the insurance business, being Nebraska state agent for American with headquarters in Omaha.

The campaign committee for W. H. Riker of Harrodsburg, Ky., who was a candidate for mayor of his city on the dry ticket, counted the chickens before

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"Do you prospects mind my filling your foursome?"

they were hatched. According to the police returns, Mr. Riker was elected. However, the "wets" evidently had some concealed votes, for the official count showed that Mr. Riker was defeated by 30. He had already announced his policy as mayor and his enthusiastic sponsors had extended their congratulations.

He was formerly associate western manager of North America in Chicago and on his retirement went to his former habitat.

The Shreveport (La.) Association of Insurance Agents has granted an honorary life membership to **W. C. Agurs**, who has been in the insurance business in that section since 1893, and has represented St. Paul Fire & Marine since 1903.

**R. T. McCart**, who is manager of the Decatur, Ill., office of C. A. Moore & Associates, independent adjusting firm of Springfield, Ill., was injured in a hunting accident and his right hand had to be amputated at the wrist. The operation was performed in St. Vincent Hospital in Taylorville, Ill. He was hunting in company with two others on a farm near Pawnee, Ill., and the gun was discharged as he was dragging it behind him. Mr. McCart is secretary of the Adjusters Association of Central Illinois.

## DEATHS

**Leo McNally**, prominent as an attorney for insurance companies, died in Minneapolis after a brief illness.

**B. F. Adams**, local and general agent in Mobile, Ala., for 45 years, died there. A son, B. F. Adams, Jr., was associated in business with him.

**W. J. Beury**, for more than 30 years president of the Citizens Underwriters Agency, Bluefield, W. Va., died while in Philadelphia on a business mission. Among others attending the burial service at Reading, Pa., was Ray Evans, secretary-treasurer of the agency, a long-time associate of Mr. Beury.

**Frederic A. Wetherbee**, 90, one of the oldest active insurance men in Boston, with Home of New York 53 years, died there. He joined the New England Insurance Exchange in 1884, was on the executive committee in 1888 and 1890, chairman of the committee in 1895 and president in 1898. At his death he was the oldest member of the exchange. He entered the employ of Citizens Mutual in 1867 as a clerk. In 1876 he formed a local agency partnership with Charles A. Nutter, under the name of Wetherbee & Nutter. In 1883 he was appointed special agent of Niagara and in 1887 was

elected secretary of the Prescott Insurance Company of Boston. He was appointed special agent of Home in 1888 and was state agent, associated with L. G. Fitzherbert, at the time of his death.

**S. E. Walton**, 73, head of S. E. Walton & Co., Toledo agents, for 28 years before his retirement two years ago, died last week. His son, E. S. Walton, is vice-president of Merrill, Dodge & Jackson Co., well known Toledo insurance firm.

**Stephen W. Banta**, for 30 years Georgia state agent of New York Underwriters, died at his home in Decatur, suburb of Atlanta. The Georgia Blue Goose furnished an honorary escort for the funeral. Several members of the pond were pallbearers, including Bockover Toy, Marion Bleakley, Whitner Howard, Albin Underwood and George W. Campbell. Mr. Banta became ill from heart trouble several years ago, and in 1938 retired from active service. He started with the company when it was known as the New York Under-

writers Agency of Hartford Fire. He always took an important part in the Georgia Fieldmen's Conference.

**Robert Peebles**, 46, of the local agency of Matheny, Peebles & Seigler, Augusta, Ga., died there.

**William K. Mandle**, 78, for 40 years a local agent of Lexington, Ky., died.

## Iowa Ruling on Reserves

**DES MOINES**—The Iowa attorney general has ruled that the unearned premium reserve on fire and casualty policies must be computed on the total stated premium, even though the policy is payable in installments. This also applies to assessment payable in installments.

**Reliance of Philadelphia** has declared a dividend of 30 cents per share and an extra 20 cents payable Dec. 15 to stockholders of record Nov. 21.



## NATIONAL DEFENSE THROUGH FIRE DEFENSE

The National Board of Fire Underwriters, celebrating now its 75th year of fire prevention work, has placed all of its facilities at the disposal of the Government during this national emergency.

Every effort should be made to  
Avoid loss by fire

Reduce the hazards of fire

Protect the businessman and  
property holder against finan-  
cial misfortune by proper and  
complete insurance coverage.

**FIRE ASSOCIATION OF PHILADELPHIA  
LUMBERMEN'S INSURANCE COMPANY  
THE RELIANCE INSURANCE COMPANY  
PHILADELPHIA NATIONAL INSURANCE CO.**

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# EMPLOYERS REINSURANCE CORPORATION

HOWARD FLAGG . . . PRESIDENT

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REINSURANCE OF CASUALTY, FIDELITY AND SURETY  
QUALIFIED IN ALL STATES AND IN CANADA

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# The NATIONAL UNDERWRITER

November 13, 1941

## CASUALTY AND SURETY SECTION

Page Twenty-one

### New Type of Cover Brought to Light by Iowa Ban

#### Insurance Is Substitute for Recording of Chattel Liens

DES MOINES—The Iowa department has ordered cancellation of a type of insurance being increasingly bought by finance companies and banks as an inexpensive substitute for the relatively costly recording of chattel liens—the accepted method of preventing a dishonest installment purchaser from conveying to an innocent third party a valid title to merchandise for which the finance company has not been fully paid. Sales of automobiles are responsible for the bulk of lien recordings but refrigerators and other merchandise are frequently the subject of filings.

Iowa recording fees are among the highest and when finance companies and banks found they could insure against the risk of losing title at about one-half the cost of filing liens a number switched to insurance and ceased filing liens. Many had already made a practice of omitting the recording where they felt reasonably confident of the buyer's character. Most buyers do not know that the finance operators ever fail to file liens.

#### Law Doesn't List Coverage

The Iowa department's order points out that the law does not list this type of insurance as permissible for fire, casualty or surety companies and that hence applications made some time ago for approval of such policies were denied. Casualty companies attempted to classify it as a type of credit insurance while fire companies viewed it as a form of inland marine coverage. In spite of the department's disapproval some fire and casualty companies in the state have gone ahead and issued these contracts, the department stated.

While it is understood that no great amount of this coverage has been written it might, if sanctioned by the department, cut heavily into the revenues received in the way of recording fees. In addition to the loss of recording fees it has been argued that substitution of insurance for recording is an invitation to fraud. Ordinarily the installment purchaser does not know whether the lien against what he is buying has been recorded or not but if it became generally known that finance companies were relying on insurance rather than on recording some feel that dishonest buyers would feel freer to attempt to dispose of merchandise on which they still owed a balance.

#### Might Be Broadened

One possibility is that since the Iowa department based its ban on the absence of any provision in the code for

(CONTINUED ON PAGE 30)

### Defense Plant Sets Safety Record

#### Royal Indemnity Holds Wilmington Deaths to One in 12 Million Man Hours

The opening of the Kankakee ordnance plant near Wilmington, Ill., this week marks an almost sensational safety record in construction work. Despite the speed at which this huge \$48,000,000 plant was constructed, there was only one fatal accident in 12,571,000 man hours of work. At the peak, 8,271 men were employed.

The Chicago office of Royal Indemnity, under Manager E. Irving Fiery, was credited by Lieut. Col. H. R. Kadlec, constructing quartermaster, with outstanding claim, engineering and accident prevention work on this tremendous project.

#### Boston Firm Contractor

Royal Indemnity insured Stone & Webster Engineering Corp., Boston, the general contractor. The plant occupies 22,000 acres of what used to be farm land and was built from scratch in less than one year. It is now 98 percent completed and production of TNT has been started by Du Pont.

Under H. B. Simpson, supervising engineer of the Chicago office, three shifts of engineers were maintained on the premises 24 hours a day. T. S. Crandall, safety engineer of Royal Indemnity, was in charge of this work at the plant, assisted by N. T. Wood of the engineering department. They worked in cooperation with Lieut. E. P. Hathaway, senior zone safety engineer of the army, and E. K. Bair, safety engineer of Stone & Webster. One of the features emphasized by Mr. Simpson was the use of graphs of every possible kind of accident. Whenever the weekly graph showed an increasing occurrence of a particular accident or injury, the safety force concentrated on checking it, and were successful in every case.

#### Full Claim Staff

A. D. Weaver, superintendent claim department, had claim men, doctors, nurses and first aid equipment constantly on hand. A private telephone line was established between the Chicago office and the Wilmington project.

Statistically, there were 143 "lost time" accidents, including the one death. The accident frequency was 11.65 per 1,000 man hours, which contrasts with a national average for this type of work of between 20 and 25, despite the fact that the Wilmington work was done under the utmost speed, with 24 hour operations. The severity ratio ("lost time" accidents to those not involving loss of time) was 6.76, which is very low. The number of minor injuries treated, not causing loss of time, was 6,821.

The project is now technically described as 97 1/2 percent completed. Work will probably be completely wound up by next spring.

#### Confer on Ill. Auto Problems

A meeting of executives of six Illinois automobile writing companies was held in Freeport Tuesday to discuss problems in the field.

### E. J. Bond of Md. Casualty Dies

#### Was Outstanding Figure in Casualty Field; Influence Widely Felt

BALTIMORE—Edward J. Bond, Jr., 53, president of Maryland Casualty and outstanding nationally as a casualty insurance executive, died suddenly of a heart attack at the home office here Nov. 12.

Mr. Bond, apparently in excellent health, suffered a slight attack early in the afternoon, when he complained of



E. J. BOND, JR.

a pain in his chest. About 4 o'clock he had a severe recurrence of the pain while in his office. He went to the home office infirmary where he was examined by Dr. Arthur Karfin, chief surgeon, who ordered him to bed.

Dr. Karfin summoned a heart specialist who agreed that Mr. Bond was too ill to be moved. His wife was called and came to his bedside. Shortly after she had returned home, at 6:40 p. m., Mr. Bond died of coronary thrombosis.

#### 33 Years With Maryland

His death ended a business career which began 33 years ago when he was employed in the bookkeeping department of Maryland Casualty. With the exception of a year's service in the army during the world war, as a lieutenant, his entire business life had been with the company.

Mr. Bond had been president since his election in January, 1937, when he succeeded Silliman Evans. Mr. Evans at that time became chairman of the board.

Mr. Bond had a wide acquaintance throughout the United States not only among Maryland representatives, but in the insurance business generally. For many years he had represented the company as a member of the executive committees of the National Bureau of

(CONTINUED ON PAGE 30)

### Casualty Actuaries Hold Annual Parley in N. Y.

#### Talks Mainly Technical and Mathematical—Blanchard New President

The annual meeting of the Casualty Actuarial Society in New York was pretty largely confined to the presentation of papers of a mathematical and technical nature. In the past actuarial speakers have occasionally produced studies that were of general interest to the business, but this year the subject matter was largely of interest to those who comprehend complicated mathematical equations. The informal discussion which was devoted to the impact of the defense effort on casualty insurance and to the new financial responsibility law of New York, was off the record.

Ralph H. Blanchard of Columbia University, was elected as the new president, taking the place of Sydney D. Pinney of Travelers, who was unable, because of ill health, to attend and preside at the New York meeting. Mr. Blanchard will be a stimulating presiding officer and the meetings under his gavel should be spirited. Harold J. Ginsburgh, assistant vice-president of American Mutual Liability, presided at the morning session in New York, as vice-president while the other vice-president, James M. Cahill, actuary of the Compensation Insurance Rating Board of New York, was in charge at the afternoon session. They were reelected as vice-presidents.

#### Fondiller, Hobbs, Carlson Named

Richard Fondiller of Woodward & Fondiller was reelected secretary, C. W. Hobbs, National Council on Compensation Insurance, editor, and Thomas O. Carlson, assistant actuary National Bureau of Casualty & Surety Underwriters, librarian. Elected as members of council were C. A. Kulp, professor of insurance at the University of Pennsylvania; J. J. Smick, National Council on Compensation Insurance, and Howard Crane, treasurer General Reinsurance.

Robert J. Myers, actuarial mathematician of the Social Security Board, gave a paper, "An Analysis of Prepayment Discounts," under which he established that it is decidedly in the interest of policyholders to take a prepayment plan when available. Mr. Myers finds that the discount currently given for the three year prepayment and five year prepayment periods are not entirely equitable in comparison with each other. Perhaps, he concluded, the best course of action indicated is that the discount on the five year plan should be increased to 25 percent, as compared to the present 20 percent while that on the three year plan should remain at the present 16 percent. However, he admitted the two present discounts have become almost traditional so that practical consid-

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## Compensation Probe in California

### Commissioner Caminetti Condemns Objectionable Practices at Rate Hearing

SAN FRANCISCO—Compensation-writing companies in California have failed to "put their house in order," as they were warned to do on several occasions by Commissioner Caminetti and have not only permitted wrong practices to grow in the business but have actually contributed to these unlawful practices in order to meet competition, according to the commissioner. As a result, all compensation companies operating in the state face a thorough and searching "investigation up to the hilt" immediately after the first of the year, he announced at a formal hearing here.

Called for the purpose of approving changes in rules, classifications and rates for 1942 operation, the hearing brought forth protests from the mining industry and organized brokers of the state against the proposed rate increase averaging 4.2 percent over all.

### Brokers' Representatives Heard

Appearing on behalf of the Society of Insurance Brokers of San Francisco, W. Shepard French, former head of that organization, presented a written protest in which he pointed out that his organization felt "increased wages and bonuses, without increase in compensation awards, will undoubtedly produce very different results than the figures used by the California Inspection Rating Bureau would indicate."

Gordon Campbell of the Insurance Society of Southern California, asked for disapproval of the increase, pointing out it was the feeling of his group that a complete study of the situation would justify a decrease rather than an increase in rates.

Representing the mining industry, Robert E. Searls, asked for disapproval and an opportunity to study rating bureau records.

### Wants Concrete Facts

In accepting the objections of the brokers' organizations, Commissioner Caminetti said he would expect them to present concrete reasons for their objections to the proposed rate increase, since they are accepted as semi-experts with a 17 percent commission loading for this knowledge in the compensation rate.

The commissioner further expressed doubts that all companies were collecting the full premiums, referring to several investigations made by his department in which he said "test holes" were sunk and in each of which they found "gas." He referred to the inconsistency of the request for rate increase when some carriers are paying dividends of as high as 50 percent, and added that it was the duty of the companies to report to him any irregularities of competitors instead of adding to the wrong by engaging in similar or worse practices to meet competition.

### Rules Changes Approved

Changes in rules and classifications were presented by R. A. Whitaker, joint manager, and approved by the commissioner.

J. O. Froberg, joint manager, presented the plea for the increase in rates. He said that the loss ratio for the two latest years of experience was 62.7 percent against the permissible ratio of 59.4 percent; that such a loss experience would justify an increase of 5.6 percent but that the increase asked is only 4.2 percent.

The hearing was postponed to Dec. 9. Meanwhile the bureau has been instructed by the commissioner to make available to industry, agents, brokers

## Citizens Casualty, New Century Merger Is on Tapis

NEW YORK—Once representatives of the actuarial and accounting house of Joseph Froggatt & Co., determine the value of shares of Citizens Casualty of this city and that of New Century Casualty of Chicago, a proposition for the absorption of the latter company by the former, through an exchange of stock will be submitted shareholders of each of the institutions. This, it is expected, will take place within the next three or four weeks, and the further anticipation is the intended deal will be effected by the close of the year. In that event the enlarged Citizens Casualty will have an increased capital and a greater surplus, enabling the writing of additional business so confidently looked forward to when the new automobile financial responsibility law becomes effective in this state.

Citizens Casualty, formed in 1928, has a present capital of \$300,000, and had a net premium income last year of \$776,327. It confines its writings to automobile liability insurance, and has no present intention of taking on any additional line, other than plate glass, in the event the merger is consummated. No changes in the official staff of Citizens Casualty are contemplated, except that two present officers of New Century Casualty will be added thereto, once consolidation is effected.

New Century Casualty was organized in 1924 as a plate glass insurer and it later entered the automobile field. Its net premiums had been running about \$400,000 until last year when Lloyds was given a heavy percentage of the continuing business on a contributing basis. As at Dec. 31 assets were \$564,803, capital \$200,000 and net surplus \$94,170.

## Ohio Agents Get Stand of Insurers on Auto Problem

The Ohio Agency Bulletin has published a statement for the benefit of members regarding certain insurance aspects of the new Ohio drivers license law. Under the new requirements the application of a person under 18 years of age for drivers license must be signed by parent, guardian or responsible person. The one signing any such application for minor becomes personally liable for negligence or willful misconduct of the minor while operating a motor vehicle.

The minor may establish proof of responsibility and so long as such proof is maintained, the one signing the application shall not be subject to liability for negligence or willful misconduct.

According to the Ohio agency bulletin there is disagreement as to whether an insurer is liable under the policy now in force in the case of an automobile being operated by a minor under any of these circumstances. It is suggested that members consult their companies and advise their assured as to their exact status. Even though the policy may carry a drive other car endorsement, the bulletin urges members to have a definite understanding with their assured and their insurers before a claim arises.

and anyone else interested, all data on which rates are based.

Commissioner Caminetti during the course of the hearing, warned that commencing right after Jan. 1, he intends to launch a comprehensive investigation of the operations of companies in the workmen's compensation field. He said that he has conducted certain test investigations which indicated the necessity of searching inquiry. The use of irregular practices, he declared, is not justified by stress of competition.

## Training Course Lesson on New Cover Valuable

Comprehensive liability insurance is one of the important tools of active agents at the present time. Agents who have learned how to sell it are pleased with the result. There has long been a public demand for complete protection and an agent who understands what is covered and how the protection can be applied finds relatively little sales resistance.

It is true that comprehensive liability develops important premiums, often larger than the insured has been accustomed to paying, but when the protection and the hazards are understood the larger premiums are paid willingly. The fact that large premiums are developed is no drawback to most agents, although some lack the courage to present a proposition where the premium seems high.

One of the dangers of the comprehensive policy to agents who ignore it is a fairly novel feature, which "picks up" all outstanding liability coverages as they expire. Thus there is no cancellation of old policies at short rates to add sales resistance, but what is more serious to the broker who has the old business, there is no notice that he will lose the policy at expiration. In the majority of cases the old agent will only learn that he has lost the business when it is too late to do anything about it.

### Requires More Knowledge

Comprehensive liability requires more knowledge on the part of the agent than the old forms. Heretofore an agent who did not understand products liability or contractual liability or owners' protective could sell the kinds he did understand and trust to luck that no competitor would slip in and sell the other kinds. Even if a competitor did pick up the products liability or contractual, the first agent might still be able to hold his own expirations. Now an agent who understands comprehensive liability can go in and sell it, and that means he has taken away all of the liability business of the agents who were ahead of him on the risk in selling individual coverages.

There are two basic comprehensive policy forms, plus a third form which is a combination of the two. There is the comprehensive general liability policy, the comprehensive automobile liability policy and the comprehensive liability policy which is a combination automobile and general liability form.

### Sales Training Course

The lesson on comprehensive liability in the Casualty & Surety Sales Training Course, published by THE NATIONAL UNDERWRITER, has just been released by Donald M. Wood, Jr., editor of the course. It is a fine and clear exposition of the subject and will be welcomed by students of the course at this time. It will enable agents to protect their own business, to increase their premiums from their present customers, to give better service to customers, and perhaps to get new business which they have been unable to control in the past. Mr. Wood is one of the most thoroughly trained young men in the casualty field. Like his father, he is a member of the Casualty Actuarial Society, among the few men from the agency ranks who have been able to pass or attempted to pass the stiff examinations. He has had important duties in servicing the large, country-wide lines handled by Childs & Wood, the agency to which he is attached.

The Casualty & Surety Sales Training Course with its 27 lessons has been in preparation more than two years. Mr. Wood has done a wonderful job in the educational field. The new lesson on comprehensive replaces the one on teams insurance, the teams lesson being now dropped from the course.

The day of insurance education is here

## Chicago Surety Men Hold Annual Dinner

The annual meeting of the Surety Association of Chicago took the form of a jolly and successful dinner and entertainment Tuesday evening. There was a reception beforehand, then dinner, a brief session for election of officers and finally several exceptionally good vaudeville acts that were carefully selected by Robert F. Munsell, Ocean Accident, as chairman of the entertainment committee.

Edmond Madden, Maryland Casualty, made a gracious response when he was elected as the new president, succeeding Julian S. Neal, Fidelity & Deposit. There are many new members of the organization and its complexion has greatly changed from a few years ago.

Special guests of the evening were Probate Judge Thoma of Du Page county, who is president, and County Judge Peacock of Grundy county, who is secretary of the Illinois County & Probate Judges Association. The surety group maintains close and friendly relations with that association. Another visitor was Paul Xheatem, Jr., of Mexico City and Dallas, who was in Chicago on a business trip. There is an expanding volume of surety business in Mexico, Mr. Xheatem reports.

## J. J. Graham, Steam Boiler High Executive, Dies

John J. Graham, vice-president in charge of agency work of Hartford Steam Boiler and a director of that company, died unexpectedly of a heart attack Monday at his home in West Hartford, as he was preparing to leave for his office. Mr. Graham was perhaps the best known of the Hartford Steam Boiler executives in the field, as he was on the road a good deal of the time. He was a very important factor in the company and had many friends throughout the business.

Mr. Graham was born in Cleveland in 1881. He joined Hartford Steam Boiler in that city in 1906 as an inspector and became special agent in 1911. Two years later he was transferred to Pittsburgh as manager of that branch and in 1917 he became superintendent of agencies at the home office.

In 1922 Mr. Graham was elected an assistant secretary and in 1927 he was elected vice-president and placed in charge of all agency matters. He was elected a director in 1934. Mr. Graham was also a director of Boiler Inspection & Insurance Company of Canada, a director of St. Francis Hospital, trustee of the Society for Savings and he was recently elected a member of the corporation of the American School for the Deaf. The funeral was held Wednesday from his home with a solemn requiem high mass at St. Justin's Church.

Mr. Graham in recent months had been carrying on many of the executive responsibilities of Hartford Steam Boiler due to the absence of President W. R. C. Corson.

and the men who wish to make their mark in the business must understand the requirements of good service to policyholders. The Casualty & Surety course of THE NATIONAL UNDERWRITER meets an urgent need. It is available at low cost. Those interested in the course should write to THE NATIONAL UNDERWRITER at 420 East Fourth Street, Cincinnati, O.

Additional casualty news on page 15.

## O. D. Legislation Requires Study, Dorsett Says

### Casualty Executives Official Gives Views at Industrial Hygiene Session

PITTSBURGH—It cannot be too highly stressed that legislation dealing with compensation for occupational diseases should be well considered and the result of careful study, J. D. Dorsett, casualty department manager, Association of Casualty & Surety Executives, told the annual meeting of the Industrial Hygiene Foundation here.

"One is still confronted today with a considerable number of measures intended to take care of the problem through purportedly simple amendments to the compensation law, such as changes in the definition of the term 'injury' to include any and all diseases without any further special provisions dealing with this subject," he said. "Experience has shown that occupational diseases differ in their nature from accidental injuries to such an extent that special provisions detailing the conditions under which they are to be compensable are essential. The period from which time limits are to run must be specified. Some method to take care of cases due mainly to exposure long antedating the enactment of the law must be adopted. Terms must be defined. A medical board to pass upon controversial medical questions should be established."

#### Sees Trend in Right Direction

Mr. Dorsett said it is gratifying to see that the trend insofar as actual enactments are concerned seems to be toward well considered legislation though the volume of introductions obviously drafted by persons who have devoted inadequate study to the subject shows that a great deal of education remains to be effected. Some states have tried to insure proper occupational disease legislation by creating interim commissions or appointing administrative bodies to study the subject and make recommendations. He cited Michigan, Minnesota and Nevada as having done that this year.

In Ohio a committee was appointed to investigate the administration and management of the industrial commission and the workmen's compensation fund and it is possible that this investigation will go into the occupational disease features of the Ohio law. In Wyoming the state health board was directed to continue its survey, in cooperation with the U. S. public health service, of the various types of industry in the state to determine the nature and extent of the occupational disease problem.

#### Rail Board Investigating

In Congress a Senate resolution has directed the Railroad Retirement Board to investigate and report on the incidence of injuries and diseases incurred by rail employees. Mr. Dorsett said he understood the board is preparing drafts of legislation providing compensation for injuries and disease. At the last

(CONTINUED ON PAGE 26)



J. D. Dorsett

## Form Round Table of Accident-Health Leading Producers

Leading accident and health producers are being formed into an Accident & Health Producers Round Table as a prelude to the mid-year meeting of the National Association of Accident & Health Underwriters in Kansas City, Jan. 26-28. George L. Dyer, Jr., Columbian National Life, St. Louis, first vice-president of that organization, is in charge of plans for the new group. Charter members of the group will be announced at the Kansas City convention. Preparations for the big roundup began this week.

Qualifications for the Round Table, under the rules set up at a meeting of the National association executive committee in Cincinnati, have been released to all home offices, which have been asked to certify their leading accident and health producers. This is regarded as one of the outstanding moves promoted by the association, which is properly designated as the body to foster such an honorary organization.

Under the rules laid down by the committee, an applicant must certify he is a member of the Accident & Health Underwriters Association, or that he will become a member. He must be certified to the National association by his home office. If a field man, he must have in force at the time of his certification at least \$12,500 in accident and health insurance premiums. If a general agent, he must have in force in his agency at the time of his certification at least \$25,000 in accident and health insurance premiums. He must retain an average claim ratio over a three-year period and must give proper service to policyholders. He must maintain a reasonable standard of persistency in renewal business in second and third years. Group accident and health business will receive credit for 10 percent of premiums. No group case, regardless of amount, is counted for more than \$2,500 in premiums.

A special invitation will be sent to those certified asking them to attend the Kansas City meeting to qualify and become charter members of the Accident & Health Producers Round Table.

This promises to be one of the outstanding events of the mid-year meeting and will attract producers from all over the country who appreciate the distinction of becoming charter members of this group.

Mell W. Hobart, executive secretary of Ministers Life & Casualty has been elected a director of the Marquette National Bank of Minneapolis.

## Oklahoma Casualty School Produces Wealth of Ideas

The casualty school for agents sponsored by the Capital Stock Insurance Council of Oklahoma at Oklahoma City this week was well attended, and the speakers presented a number of sound ideas on selling opportunities and procedures.

Honesty insurance is a boom line, Calvin A. Soriero, assistant to the agency director of National Surety, said in his talk on fidelity coverages. It is selling fast and furiously all over the country in all companies. National Surety wrote 903 new blanket bonds in the first nine months of 1941 compared with 483 in the same period of 1940, an increase of 87 percent.

#### Converting to Blanket Cover

Mr. Soriero warned agents not to feel safe if their customers were covered by individual or schedule honesty insurance. National Surety this year has converted 250 schedule bonds into blanket bonds, an increase of 117 percent over 1940.

Three common beliefs retard the sale of honesty insurance, he said, the belief created by lack of publicity that losses are infrequent, that only dishonest men steal, and that audits can be relied on to uncover dishonesty. If the agent determines which of these is present in the prospect's mind and eliminates them, the percentage of closed sales will skyrocket.

In soliciting new fidelity coverage, Mr. Soriero suggested the agent go beyond obvious prospects and sell to accountants, lawyers, bankers and credit men. Accountants and lawyers who understand fidelity willingly recommend it to clients, and their recommendations carry weight. Bankers and credit men should be educated to the wisdom of requiring fidelity coverage as well as fire in the extension of credit.

#### Some Good Prospects

Analysis of 485 new blanket bonds placed in 1940, selected at random from National Surety writings, showed that insurance and real estate agencies were the most frequent buyers. Automobile dealers were a close second. Other excellent prospects are bottling companies, construction firms, hotels, finance companies, retail jewelers, retail auto accessory concerns, wholesale fruit, produce and grocery companies, etc. Dark horses worth solicitation are dairies, farmers' cooperatives, hospitals, retail grocers, office buildings, colleges and radio stations.

"Fidelity" probably fails to convey to the employer a clear picture of the coverage being presented, he said. What is meant is ordinary honesty that every-

one understands, and he urged that it be called that instead of fidelity. Also the word "bond" implies a guarantee of some sort, and bonds are associated with situations where there is some doubt about the ability of one party to perform his part of the contract. Unconsciously the word "bond" creates a barrier that is some times insuperable.

National Surety has adopted the following terms and finding their use successful: The fidelity field is the honesty field; schedule bonds, honesty insurance, name or position form as the case may be; primary commercial blanket bond, blanket honesty insurance, and the blanket position bond, group honesty insurance.

#### Plate Glass Opportunities

Discussing the sales possibilities of plate glass insurance, S. P. Hughes of Maryland Casualty said that experience over many years reveals an astonishing maintenance of the ratio of one loss to every four policies issued. This is the highest ratio of any form of insurance except life. In large metropolitan centers the loss frequency is one in three, while in some other sections the frequency will be one in seven.

Particularly at the present time it is important to call prospects' attention to the inevitable and extreme price increases on glass as a result of the defense program, he said.

The survey method of selling insurance is here to stay and will become more rather than less used as time goes on, J. Dillard Hall, assistant agency director U. S. F. & G., said. He suggested that there is an untouched field in selling planned insurance for the vast army of individuals and professional men who have a steady income. The agent can through the survey offer such clients an intelligent plan of reasonable insurance protection he can afford, at a fixed amount payable monthly just as he pays other bills. Mr. Hall deplored the efforts of agents to take business away from other companies or agents. The unsold field offers much vaster opportunities, he said, pointing out that public liability is only about 50 percent sold, plate glass 25 percent, burglary 20 to 30, automobile 25 to 35 and fidelity 10 percent.

#### Liability on All Sides

In the modern machine age everyone is a potential subject for damage claims based on negligence, H. D. Combs, vice-president U. S. F. & G., stated. No one is safe from negligence claims because while the judge decides questions of law, the jury always decides the facts in the case.

E. H. Luecke, superintendent of casualty production for Fidelity & Casualty, in bringing out the production possibilities for burglary and robbery lines, said that 900 burglaries occur daily, over half of them residential, and from 150 to 200 robberies.

Mr. Luecke explained the extreme flexibility of modern burglary coverages and their adaptability to fit any situation with a corresponding fair rate of premium.

#### Compensation Coverage

Agents can be of immeasurable assistance to companies writing workmen's compensation by putting the idea of accident and loss control across to the management of a particular risk, H. G. Mildrum, Hartford Accident, stated. He urged agents to remember that the developments of an experience credit through measures that the agent and his company representative have instituted will produce just as favorable an ultimate cost for a risk as the net rate of a dividend paying carrier, if the dividend is based on a less favorable experience modification than the control meas-

(CONTINUED ON PAGE 32)

## New Officers of Casualty Actuaries



Some of the officers elected at the Casualty Actuarial Society's annual meeting: James M. Cahill, actuary New York Compensation Rating Board, reelected vice-president; Richard Fondiller, secretary-treasurer (reelected); Ralph H. Blanchard, professor of insurance Columbia University school of business, new president; Harold J. Ginsburgh, assistant vice-president American Mutual Liability, reelected vice-president.

## ACCIDENT AND HEALTH

### Goes with Globe as A. & H. Manager

Harold T. Roos, manager of the accident and health department and production manager in all lines for the Massachusetts Bonding branch office in Chicago, has resigned and was appointed this week by Globe Indemnity as manager of the accident and health department of the Chicago branch. The Globe has been writing some accident and health but for a considerable time has not had a fully organized department for the purpose. Mr. Roos will install a department having all facilities.



H. T. Roos

He has had about 15 years' insurance experience, having started with the Globe Indemnity on a part-time basis while going to high school in Chicago. Then he joined the branch there as an office boy, working up to automobile claims and then doing safety engineering.

After four years with the Globe he went with the Associated Agencies in Chicago as underwriter in the accident and health department and also assisting in the surety department. He was with that office for six years before going with Massachusetts Bonding about five years ago. A brother, Bernard Roos, is with Associated Agencies.

### Effect of Social Security Proposals on A. & H. to Be Discussed in Chicago

E. J. Faulkner, president Woodmen Accident, will discuss the possible effect on the accident and health business of the recent proposals to broaden the social security act to include disability and medical care before the Chicago Accident & Health Executives Forum at a luncheon on Nov. 26 at the La Salle Hotel in Chicago.

### Executives Dinner to Honor Six Organization Chiefs

The heads of six accident and health organizations are to be the guests of honor at the second annual Accident & Health Executives Dinner, which will be held at the Stevens Hotel, Chicago, Jan. 22.

Those to be thus honored are: H. T. Dobbs, Industrial Life & Health, president Industrial Insurers Conference; W. Franklin White, Royal Indemnity, chairman governing committee Bureau of Personal Accident & Health Underwriters; John M. Powell, Loyal Protective Life, president Health & Accident Underwriters Conference; Currie C. Chase, Iowa State Travelling Men's, president International Federation of Commercial Travelers Insurance Organizations; Clyde E. Dalrymple, Preferred Accident, Milwaukee, president National Association of Accident & Health Underwriters, and Godfrey M. Day, Connecticut General Life, president International Claim Association.

### Lowens Limit on Children

General Accident is now writing dismemberment and medical expense reimbursement for children ages 5 to 18 with \$5,000 capital sum and \$500 reimbursement at a premium of \$18 for males and \$15 for females. For \$5,000 capital sum and \$1,000 reimbursement, the premium is \$24 for males and \$20 for females.

### Wyckoff Wilson Ahern Successor

Wyckoff Wilson, who has been assistant secretary of the accident department of Travelers, has now been elected secretary. He takes the place of the late John E. Ahern. Mr. Wilson has been with Travelers since he graduated from Yale in 1899, and his entire experience has been in the accident department. He started as a clerk, was later advanced to underwriter and has been assistant secretary since about 1918. Since the death of Mr. Ahern he has been acting secretary.

### First A. & H. Institute Class Graduates

A dream of several years' duration among national accident and health leaders took shape in Chicago with graduation of the first class in the Accident & Health Institute conducted by the Health & Accident Underwriters Conference. There were 23 in the class, all employees of the North American Accident, Chicago. The company was host to the class at a dinner meeting in which E.



E. J. Faulkner, right, presenting certificate to Miss Becky Morgan; center, George F. Manzelmann.

J. Faulkner, president Woodmen Accident, chairman of the conference education committee and dean of the institute, awarded certificates of proficiency. Harold R. Gordon, conference executive secretary, was introduced.

S. R. Rauwolf, assistant agency director North American Accident, presided. He was in charge of the course in the North American Accident home office. Mr. Rauwolf was presented a fine brief case on behalf of the class by Becky Morgan of the newspaper department, honor student who had a 93 grade on her final examination.

### Faulkner Notes Partnership

Mr. Faulkner in a talk gave much credit to George F. Manzelmann, president North American Accident, and Mr. Gordon for development of the institute course. He said: "It is a recognition by management of the essential partnership between management and office force. The North American Accident is taking a lead in this respect. The institute course provides a broader conception of the purpose of accident and health insurance, which has so definite a part to play in the economy of this country."

He said not to stop the course of study but to go on and specialize. This activity, he commented, is the home office employees' own small contribution to preserving the American way of life.

Mr. Manzelmann said when he started with the North American some 30 years ago there were no textbooks. It was a period of pioneering in accident and health. Every new step had to be based on guesswork.

He commented that the veterans in the accident and health business may have a tendency to get into a rut. They need revitalizing by the influx of youth.

The managements of all companies are looking for the ideas that will cement public relations and build goodwill for the business. They are looking for ways and means of presenting their business to the public free from technicalities.

The award of certificates followed a dinner at which Mr. Rauwolf presided.

### A. & H. Club Hears About Indiana Licensing Plan

INDIANAPOLIS—At the November meeting of the Indianapolis Accident & Health Club, J. W. Spurgeon, supervisor of the Indiana insurance department, spoke on the license examination plan recently put into effect. He said that from a questionnaire sent out by the department, which was answered by 75 percent of those queried, it was found that half of these agents had applied for a license merely to increase their earnings a few dollars a month.

Club members were urged to accompany applications with a letter setting forth what the applicant has been doing and what he plans to do. They were advised that no employee who cannot lay off at any time to service policyholders will be granted a license. This precipitated much discussion, since this policy of the department will make it virtually impossible to appoint as part-time agent anyone who is employed in a fulltime job.

Also causing much discussion was a statement of Mr. Spurgeon that a prospective agent for a general-writing casualty company must take the full casualty examination, although he may plan to solicit only accident and health. This resulted in the unanimous adoption of a resolution by the club, to the effect that such action amounts to discrimination, and urging that there be a reclassification in licensing requirements. It was pointed out, however, that no other position can be taken by the department under the law as it now stands, and that an act of the legislature will be necessary to remedy the situation.

In conclusion, Mr. Spurgeon urged club members to write their questions and objections to the department.

Under the plan of the club to circulate the Ferguson Trophy in various offices, Earl Baker, American Income, was given custody of the award for November. It has already been on display in the offices of Hoosier Casualty and Indiana Travelers Assurance.

### M. F. Houston to Head K. C. Accident-Health Group

KANSAS CITY—The nominating committee of the Kansas City Association of Accident & Health Underwriters, George Swaney, chairman, has reported this slate for the election in December: For president, Marion F. Houston, Washington National; vice-president, Roland Westover, Aetna Life; secretary-treasurer, Lysle Kindig, Massachusetts Bonding.

Named for the executive committee are: Two years, Kenneth Stockton, Business Men's Assurance, and E. K. Smith, Great Life; one year, F. Glenn Packwood, Massachusetts Bonding, and E. H. Cameron, Occidental Life.

The new officers will of course have charge, with the committees already named, of the mid-year meeting of the National association here in January.

### New Dues Setup in Chicago

A revision of membership classifications and dues for the various classes was adopted by the Chicago Accident & Health Association at its meeting last week. The dues for managers will be \$5 per year, as heretofore. A new \$10 membership class was established, which will entitle any company or agency to have five members, only one, however, to be entitled to voting membership, National association affiliation and subscription to the Accident & Health Review. To stimulate membership among producers, it was decided to make the dues for that class \$2.50, which will in-

clude National association membership and subscription to the Review.

It was decided to continue the underwriting clinics which proved so successful last year and President Clay F. Lundquist, Fred S. James & Co., is naming a special committee to have charge of that activity.

A proposal by C. Truman Redfield, Mutual Benefit Health & Accident, to endow a room in some Chicago hospital was discussed.

### Appeal to Curiosity Urged

NEWARK—In his talk on "Showmanship in Business" before the Accident & Health Underwriters Association of Newark, Zenn Kaufman, sales counselor, said suspense should be the aim of every opening to a sales presentation. Uncertainty always holds interest in any sales talk, he said.

Question marks are very useful, he added. "Do not," he advised, "present every fact in the form of a direct statement. Appeal to the customer's curiosity. When a sales talk is opened with a question, a salesman is appealing to the curiosity of the prospect."

He also advised carrying pencil and pad. When the agent starts to mention figures, he should take the pad out of his pocket, as it attracts attention. The prospect has no idea what he is going to do with it and begins to wonder.

### Claim Men Hear Old-Timers

"Old-Timers Night" this week brought out the largest attendance ever recorded at a regular meeting of the Chicago Claim Association. C. O. Pauley, Great Northern Life, first president, reviewed the early days of the association and the business and told what had happened to the 14 men who attended the organization meeting 22 years ago. Two of them, A. B. Hvale and F. J. Stich, both of Continental Casualty, were on hand for this meeting.

President Leroy Phelps presented inscribed gavels to Mr. Pauley and the other former presidents in attendance, including Mr. Hvale, Robert Ganier, New York Life, and T. J. O'Neil, Pacific Mutual Life, who read his essay that won first prize in the contest conducted by the International Claim Association.

The next meeting, Dec. 9, will be the annual "funfest."

### Nominate Pittsburgh Officers

PITTSBURGH—Rev. Maynard Van Dyke spoke to the Pittsburgh Accident & Health Association. The following were nominated for officers, the election to be held Dec. 15: Ross F. Roberts, Loyal Protective, president; H. V. Jamison, Preferred Accident, vice-president, and I. F. Nutting, Service Review, secretary. Mr. Roberts, who is now president, has been serving out the unexpired term of E. E. Gangewere, who retired.

### Final New York A. & H. Clinic

NEW YORK—A most interesting and stimulating talk and a sales clinic in which four leading local personal producers gave a number of sales presentations for different types of accident and health prospects feature the last of the fall series of educational lectures sponsored by the Accident & Health Club of New York. J. R. DuVal, Philadelphia, a former life insurance agent, who went into the accident and health business at the age of 55, sounded a keynote for the meeting when he said that no field in insurance offers greater opportunities for future earnings than accident and health.

Participating in the sales clinic were R. W. Fairbanks, United States Life; F. E. Gendron, Canada Life; D. A. Stern, Fireman's Fund Indemnity, and J. N. Martin, Connecticut General Life. W. L. Kick, Century Indemnity, chairman of the association's educational committee, was presiding officer with F. T. Curran, Commercial Casualty, serving as chairman for the sales clinic.

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## O. D. Legislation Requires Study

(CONTINUED FROM PAGE 23)

session of Congress a Senate resolution was adopted directing certain federal departments to study the subject of workmen's compensation for seamen. A resolution is also pending before the Senate directing the Secretary of Labor to investigate and report, among other things, on the extent to which restrictions on employment, on the basis of age and physical ability may be justified by differences in accident experience and workmen's compensation cost.

In the field of occupational disease prevention, California has extended the application of its labor code's sections dealing with sanitary conditions to include the ventilation of factories in which injurious dusts, gases and vapors are generated. In New York funds were allocated for an additional year for the study and dissemination of information on the subject of controlling and preventing diseases caused by inhaling harmful dust. The powers of the board of standards and appeals with respect to protecting employees from inhaling dusts or impurities, as provided in the labor law, were increased. Requirements covering hoods and exhaust fans on machinery creating dust or impurities were clarified.

### D. of C. Powers Broadened

Congress has broadened the powers of the District of Columbia minimum wage board to cover the field of safety. The board is now charged with promulgating and enforcing safety rules, which are to go into effect after a public hearing. The board is also to collect and compile statistics in connection with its added duties. Congress has already charged the Secretary of the Interior to obtain through the bureau of mines information on health and safety in mines and the causes of accidents and occupational diseases occurring in coal mines whose products regularly enter interstate or foreign commerce. The Secretary of the Interior may create an advisory committee to exercise consultative functions in connection with administration of this act.

Two additional bills are pending before Congress which Mr. Dorsett said deserve mention. Senate bill 193 would allow the Secretary of Labor to make available to the states one-half of the total sum each expends, for workmen's compensation and also for dust disease prevention plans, provided the state workmen's compensation law and plan for dust disease prevention complied with certain requirements set forth in the bill. The Secretary of Labor would have broad powers of approval with respect to any such plans, thus virtually permitting dictation of the workmen's compensation law and dust disease prevention programs which states desiring to obtain such grants-in-aid might contemplate, Mr. Dorsett said. A somewhat similar bill introduced at the last session met with so much opposition it did not get out of committee.

### Would Change Industrial Hygiene

The other bill, S. B. 509, would provide for contributions to states which put in effect occupational disease prevention programs approved by the Secretary of Labor. These plans would be subject to the administration of the state labor department or other agency charged with enforcing the state's labor laws and also would have to comply with certain requirements detailed in the bill. Compliance with some of these, Mr. Dorsett said, would require radical change in the method of taking care of industrial hygiene problems in a number of states. Neither this bill nor S. B. 193 have progressed and in view of the general opposition to them, including that of public health authorities and some federal agencies, it seems unlikely that they will be enacted, he said.

Occupational disease laws, Mr. Dorsett said, have been receiving an increas-

ing amount of attention from legislatures in the last few years. Including the law recently enacted in Utah there are now 25 states and the District of Columbia in which compensation is granted for occupational diseases in some form. Of these, 14 states first enacted legislation on the subject since 1935. Enactment of similar laws in the remaining states is to be expected, probably in the near future. It also seems likely that some states already having such laws will revise them in the light of added experience.

### Prevention Plans Faulty

In some cases, particularly among the earlier laws, sufficient knowledge was lacking to permit enactment of a well rounded program of occupational disease prevention. Today it is felt that mistakes of the past can and should be avoided. Under proper laws industry is less likely to be saddled with claims for which it should not be held responsible while at the same time the workman receives compensation for disabilities attributable to the hazards of his employment. But even more important than compensation, Mr. Dorsett emphasized, attention is directed to prevention.

## R. D. Hobbs Presents Strong Testimony

(CONTINUED FROM PAGE 3)

the uneven character of experience in such limited territories, Mr. Hobbs declared. This would upset agents, create a bad public reaction, and would generally prove impracticable and a nullification of the scientific principles of insurance. City rates, he said, are not based at present on experience in such municipalities but on their fire protection set-ups, water supplies, laws and ordinances, exposure and congestion of construction.

If the companies are making in excess of 5 percent profit, rates justifiably should be reduced, Mr. Hobbs pointed out. As a matter of actual fact, however, he contended that operations in Michigan territory are unprofitable and that actuaries agree it is impossible, with costs at their present level, to show a profit in territory having a 50 percent loss ratio. The loss ratio in Michigan over the past five years, he said, has averaged 49.5 percent, a figure called "materially higher" than that in any adjacent state. The expense ratio, he testified, has been 52.7 percent on all business written by fire companies over a period of from five to 10 years. Not all of the companies' figures on operating costs are available. It is impossible to break down this expense ratio according to lines.

Mr. Hobbs conceded that it would be

possible for the companies, in the future, to maintain an accounting system which would allocate expenses to Michigan but he denied that, from their available records, any such breakdown is possible for past years for all companies.

The witness said that Mr. Barkey's criticisms that only such companies reported their experience as could help the present rate position, was entirely unjustified. The 48 companies which did submit satisfactory reports write 90 percent of all Michigan fire business, thus making their reports represent considerably more than a mere "cross-section." The handful of companies which submitted incomplete reports write but a small fraction of the business.

### Texas Only Credit Plan

Mr. Hobbs said only one state, Texas, now requires the companies to operate under a plan of credits and penalties on the basis of the loss record. He said only four states have been accorded general fire rate cuts since 1922. If dwelling rates in Detroit were cut, he said, it would be "fair and reasonable" to raise the rates outstate. A department analysis of the 48 companies' special reports, however, showed Detroit experience slightly worse than that in out-state protected territory and there has been testimony to the effect that fire departments in the smaller Michigan cities are as well equipped to fight dwelling fires as is the metropolitan department.

Questioning was conducted by Commissioner Berry, James F. Shepherd, assistant attorney general representing his chief, Herbert J. Rushton, as a member of the rating commission which Mr. Berry heads; Mr. Barkey, and C. C. Christenson, assistant corporation counsel of Grand Rapids.

### Mangold Supports Hobbs

Mr. Mangold's testimony was confined to describing typical examination procedure. His testimony, in a large part, supported that of Mr. Hobbs relative to the lack of detailed records regarding Michigan experience which Mr. Barkey has contended the commissioner should force the companies to produce. Like Mr. Hobbs, he said that it would be impracticable and inordinately expensive for the companies to maintain a mass of information not considered pertinent to their operations and only called for in such unusual circumstances as the present hearing.

### Barkey Gets Tough

A. L. Barkey, assistant corporation counsel for Detroit, who has been leading the offensive to obtain a substantial fire rate reduction on dwellings, engaged in several sharp exchanges with witnesses and with Commissioner Berry, chairman of the rating commission. Mr. Barkey urged that statutory penalties be assessed against all fire companies that failed to provide special reports on their experience by classifications in 1930-39, pointing out that only 48 of 367 carriers licensed in Michigan complied in full with the commissioner's request made last Aug-

ust in preparation for the hearing. He said the law provided \$500 fines for failure to obey the order, plus an additional \$500 for each month of continued non-compliance, with revocation of license as the final penalty.

### May Affect Decision

While declining to punish the companies in such drastic fashion as suggested, Commissioner Berry hinted broadly that their failure to file reports might be a factor in the eventual decision regarding the proposed rate slash. He said the commission would give full consideration to the fact that relatively few of the carriers supplied the department with the data needed to gain an accurate picture of dwelling risk experience in recent years.

Company representatives defended their position on the report-filing issue, Edmund C. Shields, chief counsel Michigan advisory board, company organization, having inserted in the record a copy of a letter sent out by the advisory board to its members urging them to give the department the fullest possible cooperation by supplying all available figures on experience by classifications over the period requested. The letter also asked that cost figures allocated to Michigan be supplied the board in view of the prospect that company costs would come in for review at the hearing. It was noted that the commissioner's request for experience did not, however, include allocated costs in the territory.

### Criticizes Lack of Cost Data

Failure of the department to insist on the regular filing of costs allocated to the state was criticized by Mr. Barkey who had drawn from L. H. Moore, department chief rater, the admission that Michigan has not followed to the letter the report requirements set forth in a resolution adopted by the commissioners' convention in 1922. He interpreted the insurance code as requiring an allocated costs report but Mr. Moore contended the statute need not be so interpreted. Mr. Moore said that since 1930 in his experience in the department, there never had been a request for information supplemental to that supplied by the companies in their annual reports.

Russell Hobbs, manager Western

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Actuarial Bureau, Chicago, described record-keeping methods to show what a difficult and sometimes impossible task it is to furnish specific data of a nature not previously required, especially for long past periods. If Michigan alone required classification breakdowns and allocated costs, the expense to the companies would run into many thousands of dollars and he intimated that if all states made such a requirement the extra cost almost certainly would have to be reflected in premiums. He said that the special reports prepared for Commissioner Berry had cost several thousand dollars.

#### Loss Figures Reviewed

Commissioner Berry questioned Mr. Moore relative to the trend of fire loss ratios. Mr. Moore admitted the trend of recent years has been rather downward and that most companies' surpluses have been materially increased. He noted, however, that the period of financial stress in 1932-33 took its toll with some companies withdrawing from Michigan at that time.

Up-to-date experience figures were provided by the Detroit managers of the major adjusting companies, tending to show a definite upturn in losses in Detroit territory during the current year. H. F. Johnston, Western Adjuster, and R. M. Peterson, Underwriters Adjusting, reported that loss records for the past nine months show some 7,000 fire losses have been adjusted in Detroit, of which 70 to 80 percent were on dwellings. This compared with 6,790 adjusted losses for the previous full year. The average loss is rising markedly, due chiefly to rising labor and material costs. Formerly, they said, the average loss was under \$100 but there has been increase estimated at between 20 and 30 percent over figures of a year or two ago.

#### Cost Factors Analyzed

Wayne Blow, treasurer General Underwriters, Detroit agency, said the average commission on a three year term \$3,500 policy was \$4.14, half of which goes to the solicitor. The office cost of issuing the policy amounts to \$2.92. Questioned closely about commissions received, a matter that has received much attention from Commissioner Berry, Mr. Blow testified that General Underwriters has received less than 3 percent, on the average, of a 10 percent contingent commission paid by W.U.A. companies in addition to the regular 30 percent allowed agents in Detroit.

Grand Rapids and Flint, for the first time, sent representatives to join the fight for rate reductions and Ferndale, Detroit suburb, took a more active part in the hearing.

Jay F. Gibbs, Ferndale city manager, estimated that \$62,527 in annual fire premiums are collected in Ferndale against annual fire losses, according to fire department figures, averaging \$16,400.

#### Expense Figures Given

Herbert Miller, Recording and Statistical Corporation, Chicago, presented figures produced by five surveys based on Michigan experience. The studies, covered a minimum of 48 companies for the 1931-35 period and ranged up to 121 companies for 1940, with 105 companies reporting on the 1936-40 period. Segregating the 1940 figures, he said the 121 companies showed premiums of \$4,740,431; losses of \$2,151,628, and expenses of \$2,515,944, an expense ratio of 53 percent. The smaller group's figures for 1931, he said, showed premiums of \$1,939,758, losses of \$1,187,115, and expenses of \$1,072,755, an expense ratio of 55.3. For the 10-year period Mr. Miller said the expense ratio averaged 54.8 percent.

#### Introduces Loss Reports

Mr. Moore had introduced departmental studies of the figures supplied in the special reports furnished by the 48 companies after the August call. These studies, as forecast before their formal

introduction, showed a fire loss ratio for the 10-year period, 1930-39, inclusive, of 47.12 percent in Detroit and 45.24 percent in other Michigan territory, tending to controvert estimates of Detroit officials that experience there had been much better than that outstate. Another loss ratio figure, supplied by the National Board based on the experience of 167 companies operating in Michigan showed a 54.43 percent loss ratio for the decade. Interpretive testimony was given in this connection by C. A. Littlepage, Westfield, N. J., assistant manager National Board in charge of its actuarial division.

#### Ind. Farm Bureau Mutual to Raise Rates, Write Trucks

INDIANAPOLIS—The Farm Bureau Mutual of Indiana, all-risk auto insurer, will readjust its rates effective Jan. 1, to take care of increased losses and increased cost of operating. Paul E. Edwards, general manager of the company, said at the annual agents convention of the company here. Rate changes will be largely on PL, PD, and collision. Losses are increasing substantially, he said. A grill that cost \$13 six months ago now costs \$22 to replace. The prices

of parts are up. Garages are starting to charge for estimates, something they never did before. Fatalities in the Indiana rural areas are 33 percent greater than a year ago, he said.

#### To Write Truck Lines

The company will begin insuring short haul commercial trucks Jan. 1. Mr. Edwards' said demand for this coverage has increased and the line has become more desirable than formerly. A series of agency meetings will be held in December to explain the commercial truck coverage to agents, he said.

About 300 attended the convention.



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## NEWS OF CASUALTY ASSOCIATIONS

### Many Product Liability Claims Frauds, Expert Says

ATLANTA—The last lecture in the series conducted by the Atlanta Association of Claim Men was given by Stuart M. Haw, Aetna Casualty, on "Settlement and Adjustment of Claims in General." His talk reviewed many points made by previous lecturers.

The lecture the previous week was given by C. L. Daughtry, Hartford Accident, president of the association, on "Products Liability Claims." Dr. William Fattig of Emory University, Atlanta, who has appeared often as an expert witness where insurers have defended cases involving bottled soft drinks, said every case in which he had testified had been the result of fraudulent claims, and he always had proved that the injury claimed could not have occurred.

He has swallowed relatively large pieces of glass himself in court, and has swallowed or eaten ground glass himself, and had others to do it, in experiments which prove it is harmless.

The exploding bottle fraud also was exploded by Dr. Fattig, who used a special machine to put pressure in an ordinary soft drink bottle up to 450 pounds to the square inch before the vessel was fractured.

### Plan Buffalo Emergency School

BUFFALO—Plans to set up an "emergency school" to qualify candidates for the state insurance examination in a three-day period were formulated at the November meeting of the Casualty & Surety Club of Buffalo.

The three-day school will cover in a concentrated manner material which ordinarily took 13 evening sessions to teach. Frederic E. Wheeler, club president, explained that the "emergency school" must be set up in order that candidates may be prepared in time for the examination Dec. 4. Mr. Wheeler named Ellsworth T. Buck chairman of a committee to set up the school.

Hugh Russ, Buffalo attorney, discussed legal problems involved in subrogation and loan receipts as applied to the insurance business.

### Oregon Adjusters Hold Banquet

PORTLAND, ORE.—The Oregon Casualty Adjusters Association held its annual banquet with Commissioner Thompson as guest speaker. Other honored guests were Mayor Earl Riley of Portland and Earl Snell, secretary of state.

R. L. Graham, president of the association, announced that in order that adjusters may become somewhat familiar with the protection and coverage afforded by comprehensive liability policy, a study course has been arranged, led by Vic Taylor of the Pownall Insurance Agency, Portland.

Capt. H. Malehorn of the state police will speak Nov. 24 on "Firebugs" and J. Carpenter, Associated Oil Company, Dec. 8.

### Anderson Is Boston President

BOSTON—The Association of Casualty Underwriters of Boston has elected these officers: President, Hugo G. Anderson, Car & General; vice-president, Norman Reuter, Massachusetts Bonding; secretary, Fred Sheard, Accident & Casualty; treasurer, Roland Crowell, Indemnity of North America. The association is to conduct a membership campaign under the direction of Irving Lohr, Great American Indemnity, and Edgar Josephson, General Accident.

The annual meeting of the Casualty Underwriters of New Jersey will be held in Newark Dec. 10.

### Chicago Adjusters Group Elects A. D. Owen President

Amos D. Owen, superintendent Chicago claim department of Zurich, was elected president of the Casualty Adjusters Association of Chicago. He succeeds H. E. Crosley, Glens Falls Indemnity. W. W. Blodgett, Hardware Mutual Casualty, is the new vice-president. Robert T. Luce, Casualty Mutual, was reelected secretary-treasurer.

Frank Peregrine, Chicago attorney, presented the paper on workmen's compensation which he gave before the insurance section of the American Bar Association.

Guests included Al J. Borah, chairman of the Illinois Industrial Commission; William J. Granata, one of the new commissioners; Dr. Thomas Browning, president Chicago Society of Industrial Medicine & Surgery, and five industrial commission arbitrators: Mrs. Frances Cummings, C. A. Daly, J. G. Eichenbaum, Joseph Rubens and J. H. Walker.

### Compensation Changes Reviewed

LOS ANGELES—At a meeting of the Casualty Insurance Adjusters Association of Southern California, it was brought out that the Federal Communications Commission had asked to be informed of all repair garages which are using police and other short wave radio broadcasts to obtain business. Members were informed that such action is a felony under the federal law.

D. A. Campbell, referee of the industrial accident commission, summarized some of the amendments to the workmen's compensation act as effective Sept. 13.

He called particular attention to the endorsement of policies covering "relatives" and the matter of consanguinity and marriage as they affect the endorsement.

## COMPENSATION

### City Must Pay Compensation Regardless of U. S. Award

ST. PAUL—The Minnesota supreme court upheld an award of compensation against the city of Duluth to the widow of a WPA employee who had already been awarded compensation by the federal government for the death. Wagner, the deceased, was killed while working on a street project in Duluth.

The supreme court rejected the contention that the liability of the city should be limited to reimbursement of the federal government in a subrogation action, holding that the government is not under the Minnesota compensation

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act and hence that the settlement it made with the widow could not be considered compensation within the meaning of the Minnesota law.

### Christmas Bonus Included

H. D. Sayer, general manager of the Compensation Insurance Rating Board of New York, points out that all bonuses shall be included in payroll for the purpose of premium computation. He finds that the distribution of cash or its equivalent to employees in the form of bonus Christmas presents will be more general and on a more liberal basis than usual.

### Minn. Rates Under Advisement

ST. PAUL—Following a hearing Nov. 18 the Minnesota compensation insurance board took under advisement the rate proposals submitted by the Minnesota compensation rating bureau, calling for an average decrease in 1942 of 2.8 percent.

### Rate Hearing in Missouri

JEFFERSON CITY, MO.—The Missouri department conducted a public hearing on workmen's compensation rates for 1942 and also rating values. The companies have proposed a new schedule that will give an average re-

duction of 3.6 percent in rates. Among the proposals considered were: Combination of risks for experience rating, the experience rating plan, retrospective rating and minimum premiums. The hearing was attended by representatives of companies, agents and employers.

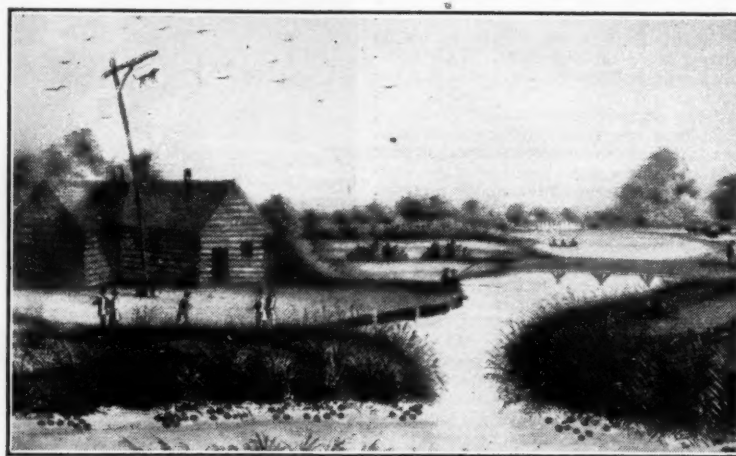
## CHANGES

### Carpenter Is Advanced to Assistant Secretary

Kay E. Carpenter, manager of the northern department of Commercial Standard, Chicago, has been elected assistant secretary of that company to take charge of one section of the underwriting department in the home office at Fort Worth. Mr. Carpenter remained in Chicago to close the branch office and left last week to take up his new duties.

### Travelers Indemnity's Vice-president Is Retiring

James H. Coburn is retiring as vice-president of Travelers Indemnity after 37 years' service. He was graduated from Yale in 1904 and soon after entered



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the Travelers employ. He was one of the first men assigned to Travelers Indemnity when it was organized. In 1911 he was made assistant secretary and in 1913, secretary. He became vice-president in 1930.

Mr. Coburn plans to remove in the near future to Richmond, Va., the former home of Mrs. Coburn, where he has spent a great deal of time and has many friends and acquaintances.

Mr. Coburn's entire business career has been with the Travelers and he is well-known in the insurance business generally as an authority on boiler and machinery insurance.

#### Duffy With Royal in Chicago

John T. Duffy, who has been with New Amsterdam Casualty in Chicago for the past 2½ years, has joined Royal and Eagle Indemnity in that city as casualty underwriter. He was with the O'Hanlon Reports before being with New Amsterdam. With Royal and Eagle he takes the place of Robert Mullin, who is now connected with Los Angeles branch of those companies.

#### Named Travelers Assistant in N. Y.

F. G. Hastings has been named as field assistant by Travelers in the casualty department of the 55 John street branch, New York City. Mr. Hastings is a graduate of the Travelers home office school.

#### Ritter-Monaghan Agency Named

The Ritter-Monaghan general agency, Denver, was named general agent of Accident & Casualty, with supervision of Colorado, New Mexico, Wyoming, and the Panhandle section of Nebraska.

#### Myers with St. Paul-Mercury

W. E. Myers, for some years with the claim department of West American Automobile, Los Angeles, has resigned and has joined the claim department of St. Paul-Mercury Indemnity there.

#### Rochelle Sent to Chicago

N. H. Rochelle of the Manufacturers Casualty payroll audit department in the head office has been assigned to take charge of the Chicago service office. He has been with Manufacturers Casualty two years, doing industrial accounting, in which he had previous experience in other lines of business.

William Hollister has been transferred by Hardware Mutual Casualty from Chicago to office manager at Madison, Wis.

M. R. Helferty has become auditor of the Madison, Wis., office of Hartford Accident, being transferred from Chicago.

his condition was known by the stock brokers.

#### Surety Claim Men Hold Valuable Gathering

NEW YORK—Commissioner Harrington of Massachusetts attended the meeting of the Surety Company Claim Men's Forum here Nov. 12, at which he spoke briefly. Mr. Harrington stressed the importance of promptness and courtesy in claim dealings. He emphasized that the claim men supply the point of contact between companies and assured and the latter are apt to

gauge their opinion of the carriers by the attitude of the adjusters. He also said that underwriters might profit in the preparation of bond and policy forms by suggestions from their claim divisions.

"Burglary Claim Procedure" was discussed by H. R. Reddy of Travelers Indemnity and E. W. Field of United States Guarantee dwelt on "The Value of a Confession as Evidence in Dishonesty Losses."

The forum adopted a resolution thanking A. C. Goerlich, educational director of the Insurance Society of New York, and A. N. Butler, vice-president Corroon & Reynolds compa-

nies, for their aid in making the gatherings a success. At the next meeting, Nov. 26, J. J. Dempsey, National Surety, will speak on "Check Forgery Losses," and Jay Shereff, Home Indemnity, on "Salvage Procedure."

#### Frank Reelected in Cleveland

CLEVELAND—At the annual meeting of the Surety Association of Cleveland Harry Frank, Aetna Casualty, was reelected president for his fourth term. Carl H. Kuhn, Fidelity & Deposit, was reelected vice-president; and J. Hayes Dorsey, Travelers Indemnity, was named secretary-treasurer. Executive commit-



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## SURETY

#### High Court Upholds Verdict Against Stock Brokers

DALLAS — The \$43,544 judgment which a jury in Judge McCallum's court here awarded the American Surety, which paid off an Austin bank for the shortage of one of its tellers who in 1929 allegedly played the stock market with the bank's money, has been affirmed by the court of civil appeals in Waco.

#### Company Charged Bad Faith

American Surety brought suit against Fenner and Beane, stock brokers, against whom the judgment was rendered and has now been affirmed. The surety company maintained that the defendant acted in "bad faith" in allowing the bank teller to play for such high stakes on the stock market, since the teller's modest position in the bank would have precluded him from playing the market with his own funds, and that

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tee members are: Harold DeLand, American Surety, and G. M. DeMarinis, Fidelity & Casualty. C. W. Sellers, Cleveland attorney, was reelected association counsel.

### Fewer Holdups, More Safe Losses

NEW YORK—Largely because of the fine work of the Federal Bureau of Investigation acting in conjunction with state and municipal police, there has been a steady and marked decrease in the number of bank robberies the country over in the past decade, the American Bankers Association reports.

While active police work has made bank holdups extremely hazardous, casualty men say that skilled crooks have again resorted to safe and vault blowing, selecting institutions in the smaller and poorly guarded communities.

Most financial institutions now carry blanket bonds with all-inclusive coverage, which practice has cut heavily into the substantial premiums formerly received from straight bank burglary cover.

## PERSONALS

A. N. Hepler, Jr., secretary-treasurer of the Income Guaranty, South Bend, Ind., was notified recently by the Supreme Council, Ancient Accepted Scottish Rite, of his election to receive the 33d degree, highest honor in Scottish Rite Masonry. He will receive the honorary degree in Boston next September at the Supreme Council meeting, which is held once each year. Six other prominent Indiana Masons will receive the degree at the same time. Mr. Hepler has been particularly active in Masonic circles, having served as worshipful master of his blue lodge in 1930 and as thrice potent master of the Scottish Rite in 1933. He is now the second ranking officer of South Bend consistory.



A. N. Hepler, Jr.

J. J. Elligette, branch manager of Manufacturers Casualty, Chicago, for a number of years, who has remained in charge since that office was converted to a service office with the suspension of business writing, was guest of honor at an office party at which members of his staff were the hosts before he left for New York to familiarize himself with a new position he will take in the east. Mr. Elligette was presented a portable radio by his staff.

Theodore W. Budlong, director of publicity Firemen's group, will be married on Nov. 22 to Miss Ware Torrey, daughter of Mr. and Mrs. Frederick Crosby Torrey of Washington, at the home of the bride's parents in Georgetown, D. C. Mr. Budlong's father is E. C. Budlong, executive secretary National Association Accident & Health Underwriters.

Allen B. Derickson has returned from military service and reassumed his position as assistant manager in the casualty department of Travelers' Fourth street branch at Philadelphia.

Sam L. Casey, 85, in the insurance business in Kansas City for more than 50 years, died there after a long illness. He was president of the Central Mutual Casualty and of the Sam L. Casey Company, an operating agency. He went to Kansas City in 1879 as an agent of the Baltimore & Ohio railroad.

Robert C. L. Hamilton, 77, who retired in 1938 as comptroller of Hartford Accident, died in Hartford Hospital. He was a native of Scotland and served in the territorial army of Scotland for 10

## E. J. Bond, Jr., Head of Maryland Casualty, Dies

(CONTINUED FROM PAGE 21)

Casualty & Surety Underwriters and the Association of Casualty & Surety Executives. He was recently elected vice-president of the latter group. He was a member of the Casualty Actuarial Society.

One of the pioneers in workmen's compensation, and nationally-known as an expert in this form of coverage, he was a member of the bureau's committee on compensation rate making.

He had participated in the solving of many of the problems of this type of insurance since its infancy.

### Authority on Auto Cover

He was also regarded as an authority on automobile underwriting. He had followed with keen interest the development of automobiles and automobile coverages. A favorite observation of Mr. Bond was that in the early days casualty men concluded after two days of consideration that the automobile, since it was "against public policy," would never become a factor in the insurance business.

Perhaps the thing for which Mr. Bond will be best remembered, however, is his work in holding Maryland Casualty together during the early 1930s when there was the great demand on the company, along with others, for cash under mortgage guarantees.

The company faced the problem of securing a large sum, and securing it at once. The Reconstruction Finance Corporation was approached, and agreed to make a loan if the other casualty and surety companies made certain guarantees. Mr. Bond immediately contacted the other companies in New York and Hartford. It was testimony to the respect in which they held him and his judgment that they agreed to the guarantee if he were retained as the underwriting officer of the company.

After securing the loan from the RFC the company then had the job of getting in the bonds under the mortgage

## New Type of Cover Brought to Light

(CONTINUED FROM PAGE 21)

this particular type of coverage it might be written on a broader basis as embezzlement insurance. Actually, it is a limited form of embezzlement insurance. If the broader form could be written and still save the finance companies money as against recording their liens it is possible that it could be sold even though the premium would necessarily be higher than for the limited type.

Finance companies and banks, both in Iowa and elsewhere, ordinarily make a practice of discriminating as to the recording of liens. They save the expense of recording where they are reasonably sure of the buyer's good character, recording liens only in those cases where there is a possible moral hazard.

One difficulty which the insurers issuing this coverage appear to have had in getting the Iowa department's approval is that the hazard insured against was loss resulting from failure to record liens, not merely where the non-recording was due to negligence but where it was clearly intentional on the finance organization's part. Thus, the element of risk was lacking, or rather was 100 percent in all cases, that the hazard insured against, namely non-recording of the lien, would occur.

years. He helped to organize Royal Indemnity and he joined Hartford Accident in 1914. In 1916 he became comptroller.

to effect the reorganization plan, and of maintaining a vigorous selling program among the agency forces of the company at the same time. To this enormous responsibility Mr. Bond devoted himself, and the company's emergence from its difficulties and its forging ahead successfully since are due in great part to his efforts.

### Career of Steady Advances

Mr. Bond attended public schools in Baltimore, and was graduated from Virginia Military Institute in 1908. He went to work for Maryland and within a year was transferred to the underwriting department. He advanced rapidly to become head of the liability, compensation and automobile department.

In 1920 when John T. Stone, founder of the company, died and was succeeded by F. Highlands Burns as president, Mr. Bond was named first vice-president. At that time Mr. Bond's work was extended. He was given responsibility for coordinating the activities of the underwriting and claim departments, bringing them into closer working harmony. Under his supervision, safety engineering came into being and was fostered as an important adjunct of casualty insurance. In later years he undertook broader company responsibilities and became in effect the insurance executive officer of the company.

When Mr. Evans became president in 1934, Mr. Bond was designated senior vice-president. Mr. Bond's father, who died a few months ago, was with Maryland a number of years in the accounting end.

### SILLIMAN EVANS' TRIBUTE

Silliman Evans, now publisher of the Nashville "Tennessean" and the new Chicago morning newspaper, and former chairman of the board of Maryland Casualty, said that every one who knew Mr. Bond always had the highest regard for him. To him, Mr. Evans said, Mr. Bond was a tower of strength. He was an able executive and believed in stock insurance not because he was connected with such an organization, but because he felt that such insurance was the best. Mr. Bond, he said, did not regard insurance as a business, but more as a religion.

Mr. Evans who was in Chicago at the time of Mr. Bond's death, flew to Baltimore to attend the funeral.

When Mr. Evans became the executive head of the Maryland Casualty after the loan made it by the R.F.C. he soon measured Mr. Bond's ability and the latter became president.

## CHARACTERISTICS

Mr. Bond had the rare trait of being able to differ with other men even on matters of the first importance without cooling the warmth of their friendship or receding a step from his firmly held opinions. He was not dogmatic or opinionated but because he weighed all possible factors before coming to a decision it usually took more counter-arguments than an opponent could muster to convince him that he should change his stand. Yet once a committee had by a majority vote reached a decision, even though it was one he had vigorously fought, he would throw his full weight in support of that decision.

The forthright manner in which he defended his views did not mean that he was unwilling to be shown. One of his most strongly held views was that a conference to which men came with preconceived decisions was a waste of time, since the same result could have been obtained by a mail vote. Whenever he sent another officer to take his place at a conference the man was always free to take whatever course his best judgment indicated. He was never told to

vote a certain way. He always gave men plenty of room to make their own decisions and develop.

"You always knew where he stood," is one of the most frequent statements heard about Mr. Bond since his death. If he had formed an opinion he was willing to state it and defend it. He never took recourse in saying that he hadn't made up his mind. He was always willing to take full responsibility for all his acts or statements, no matter how they might eventually turn out. For example, an executive of one of the organizations of which the Maryland Casualty is a member sought his advice on a ticklish problem. Mr. Bond said what he thought should be done, and why. The grateful executive said that was the way he had felt about it too and assured Mr. Bond however that if the decision turned out to be erroneous he would never let on who had advised him. Mr. Bond told him that no matter what the outcome was he was free to say who had advised him.

Mr. Bond not only had the courage of his convictions but tremendous physical courage as well. Some years ago he suffered a broken kneecap the day before an extremely important conference scheduled in Hartford. He felt that it was essential to his company's interest that he be on hand. With a cast on his knee he made the trip to Hartford that night, even though the doctors disclaimed all responsibility for the outcome.

### Was Casualty Underwriter

Mr. Bond rose to the presidency by the casualty underwriting route. Years ago he built himself a reputation as one of the outstanding casualty underwriters of the country. In fact, he and Robert J. Sullivan of the Travelers and William J. McCaffrey of Globe Indemnity, both of whom have also died, were generally regarded as being in a class by themselves at the top of the compensation and liability underwriting field. The fact that he came up from the ranks was always in his favor. Yet, though he knew his own particular fields preeminently well, as more executive responsibility was placed on him, he assumed it and discharged it with ability.

Always strong for promoting the best interest of the business, Mr. Bond took an active part in the organization of the original National Council on Compensation Insurance back in the latter part of 1919. He subscribed thoroughly to the principle that in order to establish compensation rates on any sort of permanent basis there should be a central statistical agency that would collect figures of all companies, mutuals and reciprocals as well as stock carriers.

### Rating Was Problem

At that time the setting of rates for compensation business was quite a problem. There had been several rate revisions in which the National Bureau of Casualty & Surety Underwriters had done the work but the rate-regulated states wanted not only the experience of the bureau's member companies but the mutuals as well. There was a sort of conference committee representing the various types of insurers and the interested state insurance departments.

The New Jersey department's representative, Deputy Commissioner W. W. Greene, who is now vice-president General Reinsurance, urged that a permanent organization be formed and to that end a committee of four was appointed of which Mr. Bond was a member. Other members were S. Bruce Black of Liberty Mutual, William Leslie, then actuary of the New York department's compensation bureau and now manager of the National Bureau, and the late E. H. Downey, special deputy of the Pennsylvania department, who was chairman.

This committee recommended that there be set up machinery to collect sta-

istics on compensation through a simple organization that would have its own staff and own headquarters. Out of this recommendation grew the original National Council on Compensation Insurance. Unlike its successor, the present National Council, the original organization was set up as an association of rating boards and bureaus. Membership was not by companies but through these organizations. Later the companies felt that it would be better to make membership on the basis of companies. However, the new setup followed the original idea that there should be some place where data for all insurers could be assembled.

Mr. Bond was well fitted for his role as a member of the organizing committee of the National Council. He had served on the governing committee of the Pennsylvania Compensation Rating Bureau and had grown to have great admiration for Deputy Commissioner Downey who was undoubtedly the most outstanding man in the casualty actuarial field at that time and was far in advance of his era in the matter of collecting statistics and making rates.

#### Served on Bureau Committees

Mr. Bond played an exceptionally valuable part in the work of the National Bureau. He always served on any special committee of the bureau where the problem to be handled was an especially tough one. For example, he was on the National Bureau committee on compensation which was appointed in the early years of the depression. Compensation experience was bad and because of the depression the companies were not in a position to go on losing money at the rate they had been losing it on compensation. The committee initiated studies and made contacts with representatives of the mutual carriers. The outgrowth was the adoption by the National Council of the present rating procedure which substituted for pure judgment opinion of the various insurance departments a formula method for projecting the ensuing year's presumable experience so that rates were made to follow the past regardless of whether anybody might think that experience was going to be substantially different in the immediate future.

It was this committee's work that resulted in the inclusion of the contingency factor to build up a backlog of profits in the fat years to carry through the lean years. This system worked out very satisfactorily.

#### Got at Fundamentals

Mr. Bond was noted for getting below the surface and at the roots of any problem with which he had to deal. He was a close student and learned quickly. He made the most fundamental problems of the business his concern. He was on the lookout for not only the short-time fluctuations but the long-term trends. He never assumed that because conditions were a certain way today they would always stay that way.

For some time before his death he had been strongly advocating graded commissions and rates. While handling this highly controversial subject in his typical forthright manner he was able to do so without generating animosities. It was impossible for anyone, even though on the other side of the fence, to feel a grudge against one whose opinions were so openly and honestly held.

#### Inspired Loyalty

Loyalty to his friends was one of Mr. Bond's outstanding traits and this quality, along with his genial personality inspired the highest loyalty in others. He was not only liked and respected by his competitors but many of them were among his closest personal friends.

When he went duck hunting in the fall at Kitty Hawk, N. C. his guests were other insurance men. He was a marvelous host, having the natural southern graciousness and a faculty for making his guests feel at home.

In spite of the vigor with which Mr. Bond was accustomed to support his views, he never became excited or pounded the table. He would speak

slowly, expressing himself clearly and concisely. He had an excellent command of the English language, which he used to express his thoughts in the shortest possible compass.

Mr. Bond's passion for conciseness was characteristic of his letters, too. He frequently expressed impatience with having to read long letters and said that any idea could be set forth in a single page or less. In his own letters he always went right to the point and their typical length was about half a page.

#### Accident Prevention Leader

With Mr. Sullivan, C. B. Morcom, vice-president of the Aetna Life group, and A. W. Whitney, then general manager of the National Bureau, Mr. Bond was one of the leaders in the accident prevention movement in compensation which later extended to traffic accidents as well as industrial mishaps.

As an executive, Mr. Bond picked men carefully, gave them responsibility, expected them to exercise their judgment and backed them to the limit. Executives serving under him never felt that they had to do anything just because the chief said so.

Mr. Bond had none of the characteristics which make spectacular headlines. If he can be said to have had one basic

trait which was more than any other responsible for his success, it was undoubtedly his capacity for hard work. He never thought of sparing himself. He lived close to his office and was at work by 8 or 8:30 every morning. He always went to the office at least for a short time on holidays. Because so much of his interest was centered on his job, he had no special hobby. He took no vacations, his only relaxation being the duck hunting trips in the fall and a fishing trip in the spring. He was regarded as a formidable opponent in a quiet poker game.

However, he never missed his annual golf foursome at the big casualty convention at White Sulphur Springs. The other three were Mr. Morcom, James M. Haines, U. S. manager of London Guarantee & Accident, and Claude W. Fairchild, general manager of the Association of Casualty & Surety Executives. Dubbed the "fearful foursome," they became something of an institution at the convention and there was always a big crowd to see them tee off.

#### More Mo. Claim Ring Warrants

U. S. Commissioner Thompson at Kansas City has issued six more secret warrants in the government's case against 80 laymen, lawyers and physicians charged with collecting more than

\$100,000 in 10 years from 38 insurance companies in a fake accident injury ring. Most of those charged with using the mails to defraud live in eastern Missouri, where the federal indictment was issued.

D. V. Mardis, Kirksville, who operated an insurance concern, is charged with being the head of the ring, and is being held under \$50,000 bond. Defendants, it is alleged, inflicted wounds on selves or associates, reopened old wounds, etc., and collected insurance claims. The trial will get under way Dec. 1 in the federal court at Hannibal.

#### Wis. Mutual Hearing Deferred

MADISON, WIS.—Hearing to determine whether assessments are to be levied against policyholders of Wisconsin Mutual of Madison, now being liquidated by Commissioner Duell, was postponed to Nov. 27 by Circuit Judge Hoppmann. The assessment would be made to pay obligations of the mutual and expenses of liquidation.

#### Randall Speaks in Cleveland

CLEVELAND—Vice-president Jesse W. Randall of Travelers spoke on "Present and Future Trends in the Casualty Business" before the monthly luncheon meeting of the Travelers Club of Cleveland.

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## Casualty Actuaries Parley in N. Y.

(CONTINUED FROM PAGE 21)

erations might far outweigh any theoretical ones.

From the standpoint of the insurer, he said, the term policy gives an advantage insofar as interest, expense and risk is concerned. The insurer can earn interest on the excess funds available. Inasmuch as only one premium is collected rather than several, there are appreciable savings under prepayment. The absolute cost in dollars for collection of a prepayment premium is the same as that for collection of an annual premium. Thus for each of the renewal years there is a saving to the insurer equal to the cost of premium collection. The same consideration also applies with respect to dividends to policyholders when the policy is participating since such disbursements are made only once under pre-payment rather than annually. Also, it is likely that general expenses are somewhat lower under prepayment policies since persistency is probably improved thereunder.

Moreover, under prepayment, the company for some types of policies, especially fire, has a slightly smaller amount of risk since the coverage over the remainder of the period is reduced by the amount of any loss without any refund in premium, whereas under an annual premium basis, the premiums in the years following the loss could be decreased or the coverage brought back to its original amount. The factor of increase in cost with duration is of no significance to casualty insurance, unlike life insurance.

### Effect on Policyholder

From the standpoint of the policyholder, the only cost element to be taken into consideration is the effective interest rate which he earns from the prepayment discount. It is reasonable for the policyholder to neglect to consider the cost to him of forfeiture of a portion of his prepayment premium when a loss occurs, because the individual probability of loss is relatively small. Also, the policyholder is saved the nuisance of making small premium payments each year.

Mr. Myers introduced some mathematical formulae. He finds that for non-participating policies, the five year plan is preferable if the policyholder believes that money is worth less than 4 1/4 percent whereas the three year plan is better if money is worth more than 4 1/4 percent.

With today's low interest rates, Mr. Myers states, it appears that in most cases there is little to choose from. However, he suggests that the companies might well introduce a larger differential in favor of the five year plan inasmuch as greater economy should be achieved thereunder. It might be contended that the three year plan is now on too favorable a basis and should be changed so as to allow somewhat less discount.

### Changes Are Suggested

If it be assumed that the discount under the five year plan should be changed so as to produce interest rates to the assured comparable with those under the present three year plan, then such a policy might be sold for 3 1/2 annual premiums or at a discount of 30 percent over the total five annual premiums. The effective interest rate on this basis is 21.9 percent for a non-participating policy, decreasing 8.1 percent for a participating policy with a 50 percent dividend rate or slightly greater than the rates for present three year plan of 21.5 percent and 7.6 percent respectively. He pointed out that the effective earned interest rate to the policyholder for participating policies is somewhat less and becomes more so as the dividend rate increases.

Roger A. Johnson, Jr., of the Compensation Insurance Rating Board, gave a paper filled with formidable mathematical formulae, "The Multi-split Experience Rating Plan in New York." He concluded that the amount of time saved

in carrying out actual rating procedures under the new plan is between 25 and 30 percent.

Thomas F. Tarbell, actuary of Travelers, gave a very technical paper but one of high value to those concerned with making up the annual statements. In it he went over the exhibits and schedules of the casualty annual statement blank in detail.

The nearest thing to a talk on a popular subject was that of C. W. Hobbs, on state regulation of insurance rates. The paper was a reconstruction of a study that Mr. Hobbs had made about 16 years ago. Mr. Hobbs pointed out that insurance occupies a peculiar situation in that an insurance company is not a public service company, but it is engaged in a business affected with a public use. The right of legislatures to regulate rates, policy forms and the method of doing business is no longer a controversial issue. On the other hand, insurance rates are not related to ordinary laws of supply and demand. Certain limitations to the amount of insurance a company can write are dictated by prudence; other limitations have been set up by statute. Certain limitations to the price that should be charged are found in the fact that soliciting, issuing, servicing and underwriting the policy entail a certain cost and in the other fact that the policy undertakings entail certain hazard of loss, which must be estimated with a high degree of accuracy. But these limitations are not so exact or rigid as to inhibit a lively competition for business and at times a reckless and unscrupulous competition as well.

### Driven to Combinations

Insurance companies have been driven to resort to combinations to avoid the more disastrous results of competition. In so doing they have found themselves assailed as conspirators against the public welfare, sometimes under the common law, sometimes under anti-trust statutes. This phase has been succeeded by the recognition of a certain public interest in controlling the evils of competition; by the legitimization of rating organizations and by provision for the control of rates, establishing rating standards and setting up machinery for filing, approval, modification and application. This development has not been uniform and is in most states confined to specific lines.

There has been a growth toward a more extensive use of regulation and supervision of rates, a more general acquiescence in the fact that competition in insurance must in the public interest be kept within reasonable limits. This can be done in part by regulatory laws; in part it must be achieved by the cooperation of the companies themselves, acting in unison for common ends.

### Refers to Litigation

Mr. Hobbs included several pages of reference to litigation under general anti-trust laws and under special anti-trust provisions. He stated that attempts have been made from time to time to bring proceedings under anti-trust laws in cases where the law did not specifically refer to insurance. If the anti-trust law is aimed at combinations affecting production of or trade in the necessities of life, commodities, manufactured products or articles of use, merchantable in character or having specific application to trade and commerce, it is tolerably certain that it does not apply to insurance. Such was the holding in cases in Florida, Kentucky and Virginia. In Mississippi, on the other hand, the court found the act was broad enough to cover insurance agreements. In Iowa the court ruled that insurance was a commodity within the meaning of the anti-trust act.

Special anti-trust provisions directed at insurance are fairly common. They were more common in the past than at present and a great deal of litigation

thereunder is old. This may be taken as an indication of a somewhat different legislative and administrative view as to rating compacts of insurance companies, and also undoubtedly reflects to the fact that legislation specifically authorizing the maintenance of rating bureaus has become increasingly common.

One of the visitors at the meeting was C. F. J. Harrington, insurance commissioner of Massachusetts, who took the floor and gave some comments when the question of the new financial responsibility law of New York was under consideration.

## N.A.I.A. Steering Committee Named

(CONTINUED FROM PAGE 3)

all his life. His early business background was in the theater. After the war, Mr. Callis formed an insurance partnership with Verne B. Archer in 1920 in Santa Barbara. The agency firm of Callis & Archer continued until 1936 when Mr. Archer retired from active business and Mr. Callis continued as sole proprietor.

Mr. Callis has been continuously a member of the Santa Barbara Insurance Agents Association. He has served as its president for four terms. He was elected vice president of the California association in 1938 and president in 1939. He was elected national councillor for California in 1940 and in the same year was chosen chairman of the far west conference. He served as chairman of the Insurance Institute of California in 1940 and 1941.

Mr. Hilgemann was born in 1890 in Fort Wayne, Ind.



L. C. Hilgemann

He began his business career in Chicago with the western department of Springfield F. & M. in 1914. He was appointed Wisconsin state agent for Springfield in 1919. While traveling that territory, he decided to make Wisconsin his permanent home and the agency business his career. In 1925 he joined the local agency in Milwaukee that is now known as Leedom, O'Connor & Noyes. Mr. Hilgemann is now its secretary.

Mr. Hilgemann is a past president of the Milwaukee Board and is now serving as a director. He has served the Wisconsin Association of Insurance Agents in the past as chairman of its legislative committee. At present he is president of the Insurance Federation of Wisconsin and is chairman of the insurance division of the Milwaukee Association of Credit Men.

### Keese Harvard Graduate.

Mr. Keese is a native of Chattanooga. He graduated from Harvard in 1925 and returning to Chattanooga, took a post with the Fidelity & Trust Company as manager of its insurance department. Two years later he established his own agency under the name of Thomas & Keese and in 1930 formed a partnership with W. H. Trotter, Jr., and A. Pollack Boyd. The firm is known as Trotter, Boyd & Keese.

Mr. Keese served as president of the Chattanooga Insurance Exchange and later as president of the Tennessee Association of Insurance Agents. He was recently named national councillor for Tennessee.

He is a past president of the Chattanooga Junior Chamber of Commerce and is at present a director of the Chamber of Commerce. He is second vice-president of the Rotary Club and is vice-president of the Chattanooga Safety Council.

Mr. Thomas graduated from Washington & Jefferson College. He joined American Surety in its Pittsburgh

branch. He later became manager of the surety department of the J. W. Henry agency in Pittsburgh. In 1932 he established his own agency, W. Ray Thomas & Co., and shortly afterward purchased control of Logue Brothers & Co., of which he is president.

For several years he has been a director of the Pittsburgh Association of Insurance Agents and also director of the Pennsylvania association. In 1939 he was elected vice-president of the Pennsylvania association, was elected president in 1940 and reelected last month. He has been chairman of the conference committee of the Pennsylvania association for the past three years.

## Important C. P. A. Bond Decision

DES MOINES—The Iowa supreme court has held that a certified public accountant's license bond is also a fidelity bond for other duties such as bookkeeping. The decision affirmed judgments against three sureties in suits started in October, 1939, by the Jaeger Manufacturing company of Des Moines to recover misappropriations totaling over \$40,000 made by C. I. Potwin, a certified public accountant, who also acted as bookkeeper for the company. Potwin died in 1938 shortly before the shortage was discovered.

The Polk county district court awarded judgments for \$3,551 against American Surety, \$2,272 against Indemnity of North America and \$4,533 against Maryland. A fourth suit against the Massachusetts Bonding and Insurance Company for \$20,342 is still pending in district court.

The Association of Certified Public Accountants intervened in the case, contending that their license bond required by the state should not be construed as a fidelity bond for a bookkeeper.

Potwin allegedly forged scores of checks.

The sureties based their defense on the statute of limitations and that Potwin's duties were as a bookkeeper and not statutory duties of a C. P. A.

The court said "there was evidence... that the duties performed by Potwin were those of a public accountant. The dividing line between the two forms of work cannot be defined. But the court held, and we think properly, that the loss occurred through the failure of Potwin properly to perform the duties of a certified public accountant."

The sureties contended the bond was an official bond and, accordingly, came under the statute of limitations in that action must be brought within three years.

The supreme court said: "We cannot hold that this is an official bond under the contemplation of the law. The accountant's certificate is not an appointment to public office, it is merely a license to practice accountancy, such as required for the practice of law."

## Oklahoma Casualty School Produces Wealth of Ideas

(CONTINUED FROM PAGE 23)

ures the agent has helped establish will produce.

The agent should select risks with the idea of building them for the future, putting risks on his books which will stay there year in and year out, he said, and developing collateral lines to support the compensation coverage during the lean years that may come.

### Merge Two Companies

The Guaranty & Indemnity of Wilmington, Del., has reinsured the Guaranty & Indemnity of Baltimore. Both are controlled by the Beneficial Industrial Loan Corporation. These two concerns have combined assets of about \$6,750,000 and their premiums are \$2,000,000.

# POINTERS FOR LOCAL AGENTS

## Californians Study Ways of Meeting Auto Competition

Pertinent selling ideas were brought out in three discussion sessions at the convention of the California Association of Insurance Agents.

The reduced production of automobiles, rather than driving the automobile dealer out of the insurance business, will make him more of a competitor of the legitimate agent, Neal Harris, Oakland, said at the "Trial by Jury" discussion of automobile insurance competition. The automobile dealer will be more anxious than ever to keep a reduced sales force of his best salesmen busy. These salesmen will attempt to sell insurance, especially renewals. In addition they will actively solicit their service customers. Dismissed salesmen will drift into the insurance business, he said.

### Ex-auto Salesmen in Insurance

The latter development has become very noticeable the past two weeks in San Francisco. There large numbers of former automobile salesmen are endeavoring to enter the insurance business, planning to use their customer and prospect lists to build an insurance clientele.

Harold I. Callis, national councillor, who represented the producer at the "trial," said "it looks as though the mess will get worse instead of better. Why not let the public learn from sad experience that they can't buy protection from agents of the type you describe?"

Mr. Harris' reply was that the legitimate agents of the state should not continue to allow auto dealers to get away with the insurance business. Group effort along this line by agents in the various communities can accomplish a great deal, he said. The legitimate agent shouldn't attempt to make a deal with an auto dealer on a commission basis, however.

### Unfair to Public

To allow the public to learn from sad experience would be unfair to the public, the insurer and the producer, Mr. Harris said. After all, the public as a whole looks to the legitimate producer for protection. Also the agent must realize that auto insurance is the largest single source of income, except life insurance, in California, producing about \$70,000,000 of premiums, or 42½ percent of the entire potential, except life insurance last year. The day is gone when the agent can produce 80 percent of his income from fire lines, he said.

It is up to the producers to make the competition for auto premiums so hot that the dealer will only want to sell automobiles and forget the insurance part of it, he said.

Asked why the auto dealer as an agent is not good for the general public, Mr. Harris pointed out that an official investigation by the insurance department had disclosed charging for insurance never put into effect, charging rates set forth in the conference manual and placing it with cut rate companies or mutuals, charging for vendor's single interest and retaining the premium so charged, retaining the dividends of mutual and reciprocal insurers that rightfully belong to the purchaser, retaining return premiums or overcharges due the purchaser, charging premiums on 24 months' contracts at the first year rates; intentional errors

in adding items of balance to compensate for excessive allowance on old car, etc.

### Use Established Banks

Agents will have to accept the financing of automobiles as an integral part of the automobile business and auto insurance as an important part of that financing, C. W. Carpenter, Petaluma, asserted. Agents have an ideal market for their financing of automobile premiums through established banks.

Preston E. Snook, Oakland, brought out that auto dealers often make a good offer for the car owners old machine, but on condition that the dealer be permitted to handle the financing and insurance. He suggested as a cure, sincere producer interest and service, real protection and advanced knowledge of available independent low-cost financing, together with a large capsule of intestinal fortitude.

Elmer White, Oakland, said that agents can expect little help for the present situation through legislation. The agent should know the insurance, be able to analyze the insurance needs of his clients, keep up to date on legal decisions on insurance cases as well as changes within the business, and be ready day or night to advise and assist his policyholders when loss occurs.

### Defeatist Attitude

There has been too much of a defeatist attitude on the part of legitimate producers, Mr. White said. A few aggressive agents have demonstrated how to combat auto dealer competition, but it must be done by all agents concertedly. The agent must teach policyholders to think of him first whenever they contemplate buying or financing a car. By getting the deal before it becomes a sale he will be able to forestall dealer coercion and force the dealer back to selling automobiles. Advertising and constant hammering will begin to be felt and gradually the legitimate agent's policyholders will come to him first.

Every time a policy is written by an auto dealer or finance agent or any one other than a legitimate agent, a prospective client for all other types of coverage is destroyed or smothered. If the buyer gets his policy from a legitimate producer, he immediately becomes an office client and automatically a prospect for all the other forms of protection he may need.

"Auto casualty premiums could have been doubled and all other forms increased substantially had we had no automobile dealer agents," Mr. White said. "By fussing around with the dealer agents and finance agents the companies have short-sightedly retarded and blocked a tremendous source and market for insurance."

### Prospecting for Metropolitan Agencies

Harry Perk, Jr., retiring president, was judge, at the "trial." R. F. MacFarland, Santa Barbara represented the premium payer and 12 local agents served as the jury. Others participating as "witnesses" were Laurence Canfield, Santa Cruz; H. H. Hendren of Sacramento, and H. H. Christensen, American Trust Co., San Francisco.

For the first week of each month, agents should cultivate new prospects

exclusively to develop at least 10 actual new clients, H. W. Semmelmeier, manager of public relations for the Pacific Board, suggested at the group session for agencies operating in metropolitan areas. Robert J. White, Los Angeles, presided at the session. Mr. Semmelmeier urged that the word "policies" be discarded and "protection" substituted. Solicitation should be centralized on some specific need of the prospect, and the scattering of ideas and generalization should be avoided, he said.

P. S. W. Ramsden, Oakland, suggested that the agency set a standard of at least one new automobile policy each week.

### Getting Rural Business

The group session for agents operating in the rural and suburban areas, presided over by H. B. Scudder, Sebastopol, brought out a number of ideas.

Clarence Price, Ohio, said that casualty coverages are necessary regardless of location, the only difference between business in metropolitan and rural areas being in classification of risks. He discussed the advantages of the blanket liability, comprehensive, etc. One large source of income is in the sale of liability on residences, he said. There are 88 killed in homes each day, 380 permanently injured, and 537 temporarily injured. While many of these deaths and injuries are suffered by residents, a large percentage are sustained by guests, licensees or trespassers, he said.

He urged greater activity on the part of agents in selling auto liability. Such activity, he pointed out, would do much to forestall the increasing demand for compulsory automobile liability insurance in the state, in spite of the insistent and growing demand for such legislation.

## Suggests Agency Operate as Clinic, with Special Agents as Consultants

Why shouldn't the agent operate his business as a clinic? R. A. Cartwright, special agent Hartford Fire, asked in a talk at the convention of the Massachusetts Association of Insurance Agents. One man running an agency cannot hope to become proficient in all branches of insurance, he said. No one ever supposed he could.

But the agent has at his beck and call a consulting staff in special agents, one that few agencies in the country could ever hope to support. It is the agent's business as director and executive manager of this clinic to bring in as many risks as possible for examination and observation so that he may find out what is wrong. He should see that every risk of importance on his books passes through his clinic at regular intervals. Life insurance companies ask that holders of large policies appear for regular examination, and certainly the agent's risks are entitled to equal treatment.

### Gives Complete Diagnosis

This procedure will result in a case history of any particular insurance plan, and the agent can give his client a complete diagnosis of his insurance setup.

The agent should have a good working knowledge of insurance, but when a question comes to mind he should set it down immediately and ask the first special agent he sees. He should ask more than one field man in order to get more than one viewpoint. When a set of man-

## Numerous Sales Hints from Duffus

Roy L. Duffus, Rochester, N. Y., made some interesting points in his talk before the New Hampshire Association of Insurance Agents.

When quoting automobile liability insurance rates always give the buyer a quotation on the limits next above what he has already purchased, he said. It is surprising how many will spend the small additional amount for the next higher limits. Quote cost of insurance in amounts per thousand rather than in lump sums. Add the name of the clergyman to description of the insured when writing O. L. & T. on churches. Name the wife individually when writing residence liability.

When covering a scout master add liability protection to cover his duties in this field by a special endorsement. Where available, add the \$10 products liability charge and endorsement to O. L. & T. to cover hazards of food consumption off the premises. Always add the property damage endorsement on residence liability. Watch for one-story elevators in order to give credit allowance.

### Burglary Suggestions

Never fill in "no coverage" on employee classification blank spaces. Remember that burglary coverage includes \$100 on a boat or its contents while moored outside and full coverage if the boat is in a boat house. Remember that shrubbery loss by burglary can be covered at a low additional cost. Today use the selling price argument when selling open stock burglary. Prices are going up rapidly. Watch carefully when writing coverage on hospitals to make sure that service tanks are properly taken care of. Obtain and study the National Bureau's rulings and summary of burglary special treatment.

Always keep on hand forms for reporting changes of residence to state motor vehicle departments. All but eighteen or twenty states require change of address to be reported. Often times this service is an entering wedge to getting business. Get on the job very quickly when customers have an accident or fire. Explain carefully to buyers of insurance exactly what to do in the event of theft, accident or burglary while on trips away from home. Tell the insured to seek out the agents of the company or a member of the National Association of Insurance Agents. Use commercial photographers for accident pictures and furnish the insured with a copy of the picture free.

When a set of man-

ual corrections arrives, the agent should read them by all means, but he should also ask his special agent exactly what the changes mean, what classes of risk they affect, and what they require the agent to do for the protection of his clients. Before any particular solicitation or presentation of his clinical findings, the agent can get as much special coaching as he thinks he will need. The special agent will not only evaluate the present protection on a clinical case but will clearly point out the weak spots in it, inspect the risk, gather essential information, check policies for errors of commission and omission, see that rates are as low as may be, give recommendations for making the most of what the insured has and tell him what he needs for completion of his protection. Then be ready to go with the agent if necessary to explain and discuss in detail

any particular coverages or help the agent sell.

The best analysis falls heir to obsolescence as soon as it is complete, Mr. Cartwright said. Eternal vigilance is the price of protection. Both insurance and risks are constantly changing. One year policies written on application are reviewed regularly, but there is danger in term contracts running for three or five years. No coverage should ever be left for such a period without reviewing both rate, form, and amount. Otherwise the agent is guilty of gross negligence. Each risk should take its periodic trip to the clinic for complete reexamination. This takes a little time but it is necessary to catch errors and changes.

This kind of a program does not impose an insupportable burden on the agent. The agent is the executive head of his business and his work is to supervise. Mr. Cartwright suggested leaving details to the special agent on the actual work.

## Ky. Pond Holds Annual Meeting

LOUISVILLE—William E. Kingsley of Travelers was elected president of the Kentucky Fire Underwriters Association at the annual meeting here. He succeeds Paul C. Grider, London Assurance.

Irvin J. Holmgren, St. Paul Fire & Marine, was elected vice-president. Julius V. Bowman, Fire Association, was re-elected secretary-treasurer.

Mr. Grider and R. J. Martin of Phoenix of Hartford were named executive committeemen for two years, T. J. Nicol, Aetna Fire, retiring vice-president, for one year.

Balances generally are in excellent shape, Mr. Grider said. He paid tribute to the long and splendid service of Secretary Bowman.

Mr. Grider was presented with a silver service by the organization, the presentation speech being made by J. Grover Galloway, North British.

Initiated were Dwight R. Peel, deputy insurance commissioner; C. L. Scales and M. W. Dickerson, Underwriters Adjustment Co., and G. P. Godfrey, adjuster, America Fore.

A dinner dance closed the meeting. The Kentucky Fire Prevention Association, dispensed with its scheduled semi-annual meeting.

## Sioux Falls Women Meet

The Sioux Falls Association of Insurance Women at a luncheon meeting had as speakers J. D. Twohig, manager of U. S. F. & G. at Minneapolis, and S. S. Larson, claim superintendent of U. S. F. & G. in Minneapolis.

At a luncheon 20 wives of insurance men met to organize a Blue Goose auxiliary. Mrs. W. H. Mashek has been named president; Mrs. W. F. Halverson, secretary; Mrs. C. P. Dalbey treasurer and Mrs. G. W. Schumacher, publicity chairman.

## New Philadelphia Publication

A new insurance publication, the "American Underwriter," is being set up by John E. Dearden in Philadelphia. Mr. Dearden resigned as vice-president, secretary and treasurer of the "United States Review" of Philadelphia. His brother, R. R. Dearden, III, is president of the "United States Review." R. R. Dearden will serve as acting secretary and Edward C. Dearden, Jr., who is vice-president, will serve as acting treasurer of the "United States Review."

## Brokers Discuss N. Y. Law

NEW YORK—Important features of the New York motor vehicle safety responsibility law, effective Jan. 1, were discussed by brokers at a forum here Monday at which W. W. Ellis served as chairman.

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# INSURANCE NEWS BY SECTIONS

## MIDDLE WESTERN STATES

### Iowa Mutuals Meet: Give Fischer Vote of Confidence and Promise Support

DES MOINES — The Iowa Association of Mutual Insurance Associations closed its annual meeting here by adopting a resolution of confidence in Iowa Commissioner Fischer. Citing a demand made by a policyholder of the American Mutual Life of Des Moines that the commissioner be removed from office, the resolution expressed the association's confidence in his "ability and integrity" and promised that it would "stand behind him 100 percent."

Earlier in the convention Mr. Fischer had addressed the mutual men and said a federal income tax on premiums of non-profit companies was "absurd." He was commenting on the demand of Ray Murphy of the Association of Casualty & Surety Executives, former Iowa commissioner, in Washington, D. C., that taxation of mutuals should be put on the same basis as stock companies.

The commissioner warned the mutual men that they must consider inflation which, he said, cannot be avoided. He also pointed out that casualty claims will show an alarming increase because of the rise in cost of materials.

#### New Officers Elected

D. D. Paxson, Algoma, secretary Farmers Mutual Fire of Kossuth County, was elected president, succeeding Harold S. Evans of Des Moines. William Treimer of Hartley was elected vice-president and Harry F. Gross reelected secretary. New directors are E. F. Perrin, New Hartford; H. E. Coulburn, Sac City; M. L. Smith, Fort Dodge; Oscar Wiese, Lone Tree; J. L. McIntosh, Boone, and Carl Peterson, Mount Ayr.

Plans were outlined for a concerted rural fire prevention campaign, calling for cooperation between officers of county mutuals, county agricultural agents, vocational education teachers, county school superintendents and youth leaders. Need for rigid requirements for installing and inspecting electrical wiring on farms was indicated, along with more widespread interest of youth in the association's fire safety contest as a means of publicizing fire prevention.

Retiring President Evans in his annual address urged the training of young men as future leaders of mutual insurance forces.

H. P. Cooper, secretary of the mutual's national association, who was scheduled to speak, was called home and was unable to address the convention.

### Hold Minn. Mid-Year Meet in Minneapolis March 10-11

MINNEAPOLIS — The Minnesota Association of Insurance Agents will hold its mid-year meeting at the Nicolet hotel here March 10-11. These dates were fixed at a meeting here of the executive committee at which R. A. Thompson, chairman of the program committee, announced that the subjects to be covered at the mid-year have been practically decided on but the speakers and discussion leaders are yet to be named.

Howard Williams, Mankato, chairman of the educational committee, reported that the course of lectures to be provided regional associations this coming year will be available about Dec. 1. Field men will assist in putting on this course.

Merrill Rolfson, Austin, was appointed chairman of the membership committee.

### Wilkinson Succeeds Koch as Milwaukee Board Treasurer; New Committees Named

MILWAUKEE — George Y. Wilkinson has been elected treasurer of the Milwaukee Board to succeed William Koch, who resigned to go with American Auto here as manager of general casualty lines. Mr. Wilkinson operates the Myers & Wilkinson agency and for many years published the Wilkinson Insurance Chart. Mr. Koch's resignation was accepted with regret and he was lauded for his work.

President Ralph Martin announced committee appointments. Chairmen are: Val Gottschalk, conference; T. Z. Clayton, office finance; W. B. Calhoun, legislative; Monroe Porth, by-laws; Theo. Johnson, casualty conference; Clarence Derksen, fire prevention and safety; R. C. Pittelkow, county, educational and publicity; Elson Weil, public properties, and John Soevig, public relations.

Six delegates reported on the National association convention in Kansas City. The conference committee made a report on new forms, especially the new dwelling house form. An evening dinner meeting will be held Dec. 10.

#### Wisconsin Mutual Agents Elect

MILWAUKEE — The Wisconsin Federation of Insurance Agents, mutual organization, at its annual meeting here elected J. H. Sonderquist, Beloit, president to succeed J. P. Forst, Milwaukee; E. E. Albrecht, Oshkosh, vice-president, and renamed E. P. Hocking, Janesville, secretary-treasurer. Directors elected are John Westra, Waupun; Frank Mongin, Green Bay, and Mr. Albrecht.

Rev. E. S. Hjortland gave an inspirational talk, "Facing Tomorrow." L. M. Dunathan, assistant secretary Shelby Mutual Plate Glass & Casualty, spoke on the new comprehensive liability policy. Prof. H. L. Riorden, Marquette University, who spent several years in the Orient, talked on prospects for business as related to the risks of war in the far east.

#### Veitenhaus Succeeds Koch

MILWAUKEE — A. L. Veitenhaus has been named insurance department manager of Dick & Reuteman Co. He will succeed William Koch, who resigned to become manager general casualty of the American Auto.

Mr. Veitenhaus has spent his 13 years of business life in the insurance department of Chris. Schroeder & Son. He has been casualty underwriter and also engaged in production. He has served as vice-president and treasurer of the Accident & Health Underwriters of Milwaukee and is now a director. He is also a director of the Milwaukee Board of Casualty & Surety Underwriters.

#### Mich. Farm Mutual Reinsured

Farmers Mutual of Macomb County, Mich., has been reinsured by State Mutual Fire of Flint. According to the Michigan department, the Macomb mutual had an accumulated deficit in excess of \$25,000, has suffered excessive losses the past year and was losing members rapidly. An assessment is being levied to clear up the deficit.

#### Vote on Detroit Dues Change

DETROIT — Members of the Detroit Association of Insurance Agents at a meeting Nov. 25 will vote on a proposed amendment to the constitution which would set up 12 classes of membership

for dues purposes, according to premium volume, in place of the seven present classes.

Both the finance committee and the directors have approved the change. The vote will be taken by agencies.

#### Ebert Quits Milwaukee Board Post

MILWAUKEE — Robert B. Ebert has resigned as assistant secretary of the Milwaukee Board of Fire Underwriters. Mr. Ebert joined the board on Feb. 1, 1940, as successor to John G. Seidel. Appointment of a successor is pending. Mr. Ebert is secretary of the Milwaukee County Board of Casualty & Surety Underwriters and of the Wisconsin Association of Insurance Agents.

#### K. C. Buyers See Protection Film

KANSAS CITY — The insured members conference of the Associated Industries of Missouri here Tuesday was shown motion pictures on fire protection, presented through the courtesy of William Anderson of the Missouri Inspection Bureau. Key foremen and safety men attended the meeting as well as buyers.

#### Central Minn. Regional Meets

ST. CLOUD, MINN. — John McHale, New York Underwriters, W. H. Brode, America Fore, spoke at a meeting here of the Central Minnesota Agents Regional Association. Several officers of the state association also attended and spoke, including L. D. Engberg, St. Paul, president; F. S. Preston, executive secretary, and L. E. Hatlestad, both of Minneapolis; Armand Harris, St. Paul, legislative chairman, and Merrill Rolfson, Austin, membership chairman.

#### Regional at Faribault, Minn.

FARIBAULT, MINN. — Agents and field men from southeastern Minnesota gathered here for the annual "open house" session of the Southern Minnesota Agents Regional Association. A number of Twin Cities men attended, including L. D. Engberg, president, and Frank S. Preston, executive secretary Minnesota Association of Insurance Agents, and Clyde B. Helm, secretary Insurance Federation of Minnesota. Following a luncheon there was a program of talks by agents and field men.

#### Pick Committees for Women's Meet

ST. PAUL — Committee chairmen to manage the local end of the 1942 annual meeting of the National Association of Insurance Women, to be held June 24-27 at St. Paul, were appointed this week by Mrs. Fern Harrington, general chairman.

At the annual meeting of the St. Paul association, Miss Sabina Curran was re-elected president. Margaret Krause is vice-president; Polly Williams, recording secretary; Ella Mae Nebel, corresponding secretary; Kitty O'Brien, treasurer.

#### Grover Miller Racine Speaker

RACINE, WIS. — Grover Miller, former president Wisconsin Association of Insurance Agents, reported on the national convention in Kansas City and the Wisconsin convention in Milwaukee, at the dinner meeting of the Racine County Association of Insurance Underwriters here.

#### Agency Gets 25-Year Certificate

ST. LOUIS — Bailey Turner, state agent North America, at a luncheon for officers and key producers of F. D. Hirschberg & Co., on behalf of his company presented the agency a testimonial

### Revised U. & O. Forms to Be Filed in Minnesota

ST. PAUL — Revised use and occupancy forms are expected to be filed with the Minnesota department within the next few months following conferences of agents and field men. Harry Reynolds, Duluth, chairman of the executive committee of the Minnesota Association of Insurance Agents, has been taking the initiative in this matter since the annual meeting of the state association at Rochester. At that time he announced that Commissioner Johnson would consider new U. & O. forms for approval. It is expected that the new forms will be similar to those used in other middle western states. The old Minnesota law, which was revised at the last session of the legislature, made special forms necessary.

certificate for 25 years of continuous representation.

#### Chief Deasy in St. Paul

ST. PAUL — New methods of fire protection developed in England during the war were described to St. Paul and Minneapolis business men this week by Daniel Deasy, battalion chief of the New York city fire department.

The newly formed Minnesota fire prevention-defense committee also met to outline its work as a division of the Minnesota Safety Council. Commissioner Johnson, Deputy Commissioner L. C. Lund and T. G. Linnell, Minneapolis general agent, are at the head of this group.

#### Eells Fire Prevention Chairman

Victor G. Henry, president Kansas Association of Insurance Agents, has appointed Dwight Eells, president of the Newton Insurance Board, chairman of the fire prevention committee. He will be assisted by nine zone chairmen.

#### Transfer Van Haun to St. Louis

CINCINNATI — Merrill Van Haun, for the past 12 years adjuster for Western Adjustment at Cincinnati, has been transferred to St. Louis. He was a popular and well-known member of the fraternity in Cincinnati and was given a farewell party and presented with a camera by the regular patrons of the Blue Goose round table.

#### Lanphar Named by Occidental

The Lanphar Agency has been appointed general agent of Occidental Life of California for Detroit and vicinity. Grant M. Hudson, Jr., has been named life manager of the Lanphar Agency. He is a son of Grant M. Hudson, Lansing, Mich., general agent.

#### NEWS BRIEFS

The Topeka Association of Insurance Women held its first bosses' luncheon Monday with 95 in attendance. Bert E. Mitchner, state director of revenue and taxation and former Hutchinson agent, was speaker.

Forty members attended the November meeting of the Insurance Women of Lincoln. Robert Mallory, Nebraska Inspection Bureau, outlined methods used in determining rates.

Robert A. Gillespie of the R. A. Gillespie Company agency at Flint, Mich., established by his father, the late R. J. Gillespie, in 1902, was presented an engraved wrist watch in honor of his anniversary as an agent of Fidelity-Phe-

nix. The presentation was made by State Agent R. J. Bothwell, Jackson, Mich.

"What Makes the Home Office Tick" will be the topic discussed by O. J. Eastman, secretary Northwestern Fire & Marine, at the Dec. 4 dinner meeting of the Southwestern Minnesota Agents Regional Association at Jackson.

Ross L. Weller of the Springfield local agency of Weller, Thomas & Campbell addressed a meeting of the Central Illinois Adjusters Association in Springfield.

The Illinois Mutual Fire of Belvidere, Ill., as of June 30, was examined by the Illinois department, its assets being \$168,511, surplus \$65,213.

Rate books were published by the Illinois Inspection Bureau during October for:

Cropsey, Hanover, Laura, Lyndon, Maple Park, St. Augustine, Swan Creek, Trivoli.

The 1752 Club of Michigan is sponsoring a regional meeting for local agents

at Saginaw, Jan. 15. The speakers include John S. Kerper, Employers Mutual Casualty; G. M. McNay, Michigan Mutual Auto, and D. J. Woodworth, United Hardware & Implement Mutual.

L. B. Koblit, formerly president of Bilt-Rite Homes, has become associated with the Dreyfus Insurance Agency, Cleveland, which has been changed to Dreyfus-Koblit, Inc. The firm is general agent of Commonwealth Life in addition to writing general insurance lines.

Eugene Dahl, chief of the accident prevention division, Minnesota department of labor and industry, will speak at the Nov. 25 dinner meeting of the Insurance Buyers Association of Minnesota in Minneapolis.

John J. O'Toole, president Insurance Board of St. Louis and secretary F. D. Hirschberg & Co., spoke on "National Defense" at a luncheon meeting of the Downtown Lions Club of St. Louis.

Charles Butler, crack marksman on the Columbus, O., police force, who has been forced to retire because of a heart attack, has opened an agency in Columbus.

cies; change in dwelling house policy forms to include the extended coverage endorsement; substitution of mortgage clause without contribution in lieu of mortgage clause with contribution which appears in the present policy form; to provide that after policies have been in effect for 60 days, cancellation for non-payment of premium may be dated back but earned premium must be charged for time up to date of cancellation, and to adopt a standard form for cotton in process of ginning.

#### Only One New Orleans Bridge Bid

NEW ORLEANS—One bid was received by the New Orleans Public Belt

Railroad Commission in response to its request for sealed proposals for \$4,000,000 property damage and \$905,000 U. & O. insurance for three years from March 25, 1942, on the Mississippi river bridge just above New Orleans. That bid, submitted by the Louisiana Insurance Agency of New Orleans, was for only \$850,000 property damage insurance. The agency quoted a rate of 9.325 per thousand, naming the General, Pacific National and Northwestern National.

Lack of bidding indicates that the commission was a bit premature in advertising for this insurance, as the present coverage does not expire until

## IN THE SOUTHERN STATES

### Agents, Field Men Appear on Miss. College Course

The field men and local agents in Mississippi are furnishing speakers to appear before the insurance class at Mississippi State College, State College, Miss. The two groups have for several years furnished speakers to appear before the insurance class at the University of Mississippi, but this is the first time they have done it for the college.

The following speakers will appear before the insurance class at the college during the course: J. B. Chapman, special agent St. Paul Fire & Marine; C. C. Hollinshead, Starkville; H. T. Holland, Holland & Gates, general agency for American, Jackson; W. W. Sampson, manager Mississippi State Rating Bureau; J. B. Hopkins, Columbus, and D. M. Mayers, manager Fire Companies Adjustment Bureau, Jackson. R. C. Weems is dean of the school of business and industry, and J. W. Taylor is professor in charge of the insurance class.

### New Orleans Rule Hits Participating Insurers

NEW ORLEANS—An amendment to the by-laws of the New Orleans Insurance Exchange has been adopted whereunder members are prohibited from representing any company that writes participating policies. Moreover, members are prohibited from retaining the agency of any general agent who has in his office a company writing participating policies. There is a note to the effect that the prohibition does not refer to the various "experience plans" in which the premium may vary depending on the company's experience on the individual policy. Members are prohibited from representing any company which is affiliated with any insurer that writes participating business in Louisiana.

The only stock company issuing a participating policy in Louisiana at the present time is First National of Seattle, a member of the General group. The Parkerson General Insurance Agency of Lafayette and the New Orleans General Agency of New Orleans are general agents for First National, and other companies in the group.

### H. P. North Puts in Busy Day With Atlanta Groups

ATLANTA—H. P. North, Business Development Office, was in Atlanta Monday, speaking first at a morning meeting of the Georgia Fieldmen's Conference, then at a luncheon meeting of the Atlanta Association of Insurance Agents. He went to Macon Wednesday for part of the mid-year meeting of

the Georgia Association of Insurance Agents.

He gave the field men information and advice on formation of a speakers' bureau and how to develop the panel regional session plan to be participated in both by field men and local agents. He also started the field men on a plan to hold classes in speech improvement.

At the agents' meeting, he urged that the local agents and field men work together in educational activities at every possible point.

At the field men's meeting Lewis H. Swann, Fireman's Fund, presided, and many members asked questions of Mr. North in a subsequent open discussion. J. C. Dunlap, vice-president, presided at the agents' meeting, as H. D. Morgan, president, was out of town. Mr. North was introduced by H. J. Haas, national councillor. A welcome guest at the agents' meeting was L. P. McCord of Jacksonville, Fla., recognized as prime mover in local agents' educational activities.

### Important Changes Up at Hearing in Texas

The Texas board of insurance commissioners has called a public hearing for Dec. 2 to consider five subjects. They include creation of a minimum premium of \$5 on fire and tornado poli-

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next March. No I.M.U.A. companies bid, as the association was not willing to issue a rate that far in advance. It is understood one will be promulgated the latter part of January.

### Bigelow Is Richmond Speaker

RICHMOND — Samuel Bigelow, manager Virginia Association of Insurance Agents, spoke at the November dinner meeting of the Insurance Exchange of Richmond on the regional meetings recently held at Wytheville, Staunton and Warrenton. He said that they had been interesting and informative and well attended. He was very optimistic regarding conditions throughout the state as they affect interests of stock insurance. The next regional meeting is to be held in Richmond some time in January.

O. H. West, former manager of the state association, now managing director of the Virginia Retail Merchants Association, was present. He was introduced as the new bridegroom.

### Report on Alabama State Fund

BIRMINGHAM, ALA.—The Alabama state insurance fund, started 18 years ago with a \$100,000 appropriation, now has a surplus of \$507,536. Losses paid during the fiscal year ending Sept. 30, totaled \$361,248, of which nearly all, or \$352,794 were on county high and elementary schools. The fund's surplus increased \$48,033 during the year. Fire premiums aggregated \$387,415 and tornado \$81,918. Of the \$41,165,559 coverage the fund reinsured \$19,736,090 with various companies. Of the \$42,619,170 tornado coverage, it reinsured \$1,000,000.

### Augusta Plan on Delinquents

AUGUSTA, GA — At a special called meeting of the Augusta Board of Underwriters the membership passed on a plan to aid collection of delinquent premiums and to prevent "bad pay" assured from "riding" each agent.

One feature of the plan suggests that each agent furnish the secretary of the board a list of its "bad pay." He will in turn pass out to the members a consolidated list for their information. There is no obligation on the part of members to furnish such a list. However, on accounts sued and where judgments have been rendered, it is obligatory that no member agent write this assured until the judgment is paid.

### Ludolph Speaks to Life Men

SAN ANTONIO, TEX.—In a talk before the San Antonio Life Managers Club, F. F. Ludolph, secretary San Antonio Insurance Exchange, told his organization's development and how it eliminated chaotic conditions in underwriting, commissions, licensing and rebating. He explained how the exchange functions.

### Educational Meeting Scheduled

NASHVILLE, TENN.—The second of a series of educational programs, sponsored jointly by the Tennessee Association of Insurance Agents and Tennessee Fire Underwriters Association, will be held in Columbia for the Maury County Insurance Exchange Dec. 5. Local arrangements are in charge of M. S. Davis, president of the exchange.

### Substitute Lighting Banned

NASHVILLE, TENN. — Commissioner McCormack, as state fire marshal, has issued an order to fire marshals throughout the state to enforce a ban on the use of kerosene or gasoline lamps as substitutes for electric lights in stores, theaters or other public places during

the "blackout" ordered by the OPM. It is now considered restrictions on window and display lighting may be lifted shortly after Dec. 1.

### Macon, Ga., Agents Elect

MACON, GA.—Arthur Griffith was elected president of Macon Association of Insurance Agents at a special called meeting. William Payne was elected vice-president, and Frederick Williams, secretary-treasurer.

### May Revise Building Code

TAMPA, FLA.—The building code here may be revised in view of the priorities situation. Requirements of fire underwriters, FHA, OPM and local regulations will be studied with the idea of introducing satisfactory substitutes for

materials now required. Insurance men have long favored modernizing of the present code.

### NEWS BRIEFS

T. Graham Hall of Hall & Benedict, president Nashville chamber of commerce, has been elected president of the Tennessee Conference Board, an organization of chamber of commerce officials of the state.

R. T. Cawthon, manager Tennessee Association of Insurance Agents, is enjoying his first vacation in ten years, a trip to South Dakota to shoot pheasants.

The Atlanta Insurance Women's Club will start a study class soon. The annual dance will be held on Dec. 5. An old fashioned Christmas party is also planned.

## PACIFIC COAST AND MOUNTAIN

### Banker Talks in Portland on Advantages of Organization

PORTLAND, ORE. — As the Portland Association of Insurance Agents was treated turkey dinner, Elwain Greenwood, secretary Oregon Bankers Association, gave a stirring talk on the advantages of organization. He charged that the old-time willingness of individual members of an organization to "hush up" criticisms should be displaced with a conviction that groups should stand up and fight for their rights. A militant spirit, ready and willing to tell the world the truth about the organization's principles and purposes, he said, is vital to the success and continuity of not only the organization but the very business it represents. He cited his own organization as an example of what complete unity can accomplish, and explained that it enjoys 100 percent membership

in Oregon—having every bank on its roster. He stressed the need for keeping all members working.

He recalled that a committee of his group had worked for many years on the problem of reducing losses to banks through forgeries, burglaries and robberies, with considerable success, and as a result insurance people had been enabled to write bank coverages at greatly reduced premiums and with measurable improvements in loss ratios.

President Harry Hollister of the Oregon Association of Insurance Agents gave a brief but enthusiastic report of his impressions of the National association convention in Kansas City.

The practice of some lending agencies to write fire insurance, and refusing to accept policies offered by borrowers, was discussed. An opinion by State Attorney VanWinkle, branding this practice as a violation of the Oregon statute

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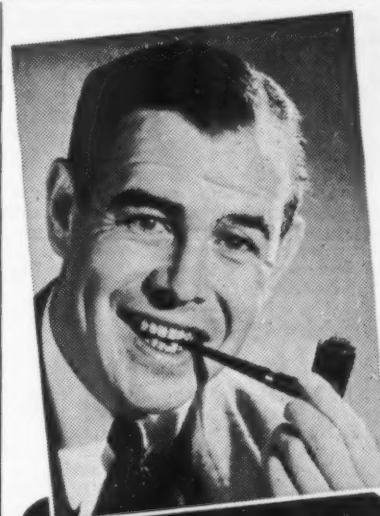
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preventing restraint of free competition, was read. The secretary was instructed to have copies of the opinion circulated to the membership.

It was voted to extend the terms of officers and board members for an additional seven months in each case, to bring the fiscal period into concurrence with that of the state association.

A plan to circularize prospects who may be considering the purchase of new cars, to acquaint them with lending agencies willing to accept policies written by the borrower's own insurance agent, was explained by President Rankin.

### Washington Leaders Will Gather in Seattle Nov. 21

SEATTLE—Over 30 agency leaders from all parts of the state will gather here Nov. 21 for the fall meeting of the executive committee and local board presidents of the Washington Association of Insurance Agents. The get-together will be an evening session, preceded by dinner, with Charles P. Carroll of Spokane, chairman of the executive committee, presiding. Reports covering the first quarter activity will be submitted by the chairmen of active committees.

The Aetna Casualty sound motion picture of the Kansas City convention of the National Association of Insurance Agents will be shown with reports on the convention by Mr. Carroll, who is also national councilor; A. W. White, president King County Insurance Association, and W. H. Harmer, Seattle, vice-president King County association and secretary-treasurer of the state organization.

Several officials of the Oregon association are expected to be present, as the meeting is being held on the eve of the Washington-Oregon football classic.

### New Idea for Committee Reports at Cal. Meeting

A successful innovation at the convention of the California Association of Insurance Agents in Sacramento was the way in which the executive session was conducted. The entire session was built around the reports of the eight standing committees, with eight-minute reports submitted by each.

Each chairman prepared in advance five questions covering his committee's activities, and these were submitted to the audience immediately following the report. Questions were prepared to bring out the membership's reaction to the activities of the committee and also to give agents an opportunity to air their views, which committeemen and President H. H. Hendren, Sacramento, who presided, can take into account the coming year.

### Hear Reports on K. C. Convention

SEATTLE—The King County Insurance Association held a dinner meeting to hear reports on the National association convention. Preceding talks by President Alfred W. White and Vice-president W. H. Harmer, the Aetna Casualty movie of the Kansas City convention was shown.

Mr. White said that in his opinion "the American agency system is stronger than ever and will continue to flourish" under the guidance of the National association. The two major developments which impressed him most were the "V-Plan for Insurance" and the educational program of the National Association. Mr. Harmer gave his impressions of the convention as a whole, its leading personalities and the accomplishments of the meeting.

Mr. White announced that an edu-

cational meeting for Seattle agents will be staged Nov. 27. Present-day problems in connection with U. & O. coverages will be discussed by a panel of field men and agents.

### Appeal License Revocation

SAN FRANCISCO—Right O-Way, Inc., and H. W. Metz have filed a request with Commissioner Caminetti that his recent ruling in revoking the license of the organization to act as insurance broker and the right of Mr. Metz to act as a broker, be certified to the attorney general for determination as to the validity and legality of the ruling. Under the code any person who has applied for a license or is affected by a ruling, decision or act of the commissioner has this right of appeal.

The licenses in question were revoked by Mr. Caminetti as a result of hearings in July. It was revealed that the Right O-Way planned to act as a real estate and insurance broker for its stockholders and that business would be obtained by offering dividends to stockholders from commissions earned.

### Gunther to Head Brokers Exchange

SAN FRANCISCO—Elmer Gunther has been nominated for president of the Insurance Brokers Exchange of San Francisco and is expected to be elected at the annual meeting Dec. 10. George Jones, Jr., was nominated for first vice-president and Don Wentworth for sec-

ond vice-president. Herbert Henderson and Warren Downes were nominated to succeed themselves on the arbitration committee.

Mr. Gunther has served on the governing board for several years. As in former years, he is in charge of the Christmas party Dec. 17.

### C. V. Smith in Ogden

OGDEN, UTAH—At the November meeting of the Ogden Fire & Casualty Insurers Association, C. V. Smith, San Francisco, manager marine department Security of New Haven, spoke on marine insurance and said agents should give more attention to this line of business, which many too often overlook. More than 25 agents and guests attended the meeting.

### NEWS BRIEFS

Peggy Lutes has been elected president of the San Francisco Insurance Women's League; Ellen Gooch, vice-president; Flora Ruggiero, secretary, and Bertha Edwards, secretary. The Christmas dinner will be held Dec. 11, with John H. Martin, manager Standard Forms Bureau, as Santa Claus.

The Insurance Women of Seattle will hold a dinner meeting Nov. 25. J. C. Herbsman, public relations director of the Port of Seattle, will speak on "The World Today." The annual charity dance has been set for Dec. 6.

## EASTERN STATES ACTIVITIES

### Mass. Legislature Finally Adjourns

BOSTON—The longest and most expensive session of the Massachusetts legislature, was finally adjourned. Of the 240 bills, other than life, affecting insurance business, 38 became law.

Six special recess commissions to study and report on various insurance matters were provided for by the legislature.

Outstanding among the new legislation was the initiative petition proposing a state workmen's compensation fund, which was overwhelmingly rejected. However the petitioners have secured the necessary additional signatures so the measure will go on the ballot in November, 1942.

The hard fought battle of the mutual fire and casualty companies for a non-assessable policy, which was won by a narrow vote, was another conspicuous piece of legislation.

Agents will be specially affected by the 10 percent law which prohibits licensing of any agent or broker who derives more than 10 percent of his business from any individual, firm or business in which he or his spouse has a controlling interest, or by whom the agent is employed.

The special commissions will consider abolishing defenses of contributory negligence and imputed negligence in cases of injury to children under seven years; changing the method of assessing damages in actions for death and raising the minimum amount recoverable; in-

vestigating of the district court system of handling insurance matters; (4) consideration of additional highway and other traffic improvements; (5) study of group insurance for public employees; and (6) investigation of the licensing and regulation of financing insurance premiums.

### Maryland Women Install Officers

BALTIMORE—Officers of the newly organized Insurance Women of Maryland were installed at a meeting here. Guy T. Warfield, Jr., immediate past president of the Maryland Association of Insurance Agents, conducted the installation ceremonies.

Elected to the advisory board were: Miss C. A. MacCubbin, United States Fidelity & Guaranty, Baltimore, chairman; Miss Nancy Heidebach, Connecticut Mutual Life Ins. Co., Baltimore; Mrs. Thelma Haney, New England Mutual Life, Baltimore; Miss Bradley Slayton, Slayton Insurance Agency, Annapolis; Mrs. T. A. Strohm, III, of McMillan, Crain & Mullikin, Baltimore; Miss Ann Mullin, Poor, Bowen, Bartlett & Kennedy, Baltimore.

### Panel Discussion in Pittsburgh

PITTSBURGH—More than 100 attended the luncheon meeting of the Pittsburgh Association of Insurance Agents to hear a panel discussion on "Comprehensive Liability Insurance," conducted by the Casualty Insurance Association of Pittsburgh. E. D. Sweet, Massachusetts Bonding, was in charge of the discussion, assisted by

A. M. Battistini, Hartford Accident; W. S. King, U. S. F. & G.; F. B. Miller, Aetna Casualty, and J. R. Wilson, Travelers.

The next regular meeting will be Dec. 11.

### Vt. License Change Debated

MONTPELIER, VT. — Arguments were heard by Commissioner Cole here Tuesday as to proposed amendment of the law under which applicants for agent's or broker's licenses would be required to pass a written examination. The present procedure is to grant licenses to those whose applications have been endorsed by three resident agents.

### Cape Ann Board Elects

GLOUCESTER, MASS.—The Cape Ann Board of Insurance Underwriters has elected Alfred E. Presson, Gloucester, as president; Carroll K. Steele, vice-president, and W. A. Elwell, secretary-treasurer.

### Set New England Parley Dates

BOSTON—The New England Advisory Board at a meeting here decided to hold the 1942 annual convention of the New England Associations of Insurance Agents at Poland Spring, Me., June 24-26.



You're the captain. If your ship is to reach its destination, you've got to keep making pretty careful check-ups on your course, and bring to bear all the navigation helps you can. It's a big job, especially now when the steady winds of business are blowing and you're going along under full sail.

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## MARINE INSURANCE NEWS

### Demand for High Cargo Limits by Trucking Lines

The rapid increase in movement of goods by truck due to production activities under defense has led to a substantial increase in the call for higher limits of cargo protection covering trucker's liability. It has also led to a more frequent appearance of high value loads on which the trucker secures an individual trip transit policy, or excess cover over and above his regular limit.

In the past there have been some truckers who for advertising purposes carried a much higher limit than the actual average value. Perhaps his average value would run \$5,000, and he carried as much as \$25,000. Insurance people have been underwriting this business with this knowledge, and have included this factor in arriving at the rates. However, now that the load values are actually increasing substantially, the companies are underwriting more closely, and are figuring this change in the situation when making the rate.

#### Some Valuable Loads

Marine underwriters are being called on regularly these days to furnish high limits on occasional high value loads. Here is a trucking line that now and then moves an airplane motor, worth \$65,000, out of Detroit, or a load of airplane carbureters, valued at \$600 apiece. One underwriter recently was called to furnish protection on a load of rifles worth \$130,000. Photographic equipment and supplies, imported liquor, etc., are types of high value loads not arising directly from defense.

Underwriters are meeting this demand for coverage on high value loads with a trip transit policy, if the demand from a particular trucker is infrequent. If such loads are more frequent the trip transit may be too expensive. However, where the same company issues primary coverage and trip transit it gets a good premium, and this is of course a factor in rating the trip transit policy.

#### Excess Usually Written

Ordinarily, the primary policy is being endorsed with excess cover for the special load, or for higher regular limits, and the additional coverage is reinsured. Excess is of course cheaper than the trip transit form. Most companies prefer issuing excess themselves to avoid question under coinsurance, since most cargo business is written on the basis of 100 percent coinsurance.

Some truckers want higher limits than usual, possibly \$50,000 on any one load, so that they will not run into any coinsurance penalties and will be protected under all circumstances including the high value loads. They seem quite willing to pay the rate loading for the cover. In some cases they have asked for as much as \$200,000 in catastrophe cover in order to be sure to have protection at terminals, should three or four loads of high value merchandise get into the terminal at one time. Shortage of equipment in relation to cargoes in transit has meant more goods piled up at terminals for longer periods. In some cases where a trucker has a large amount involved at any one terminal a straight fire policy is being written to cover.

While most of the demand for excess cargo cover is being taken care of by the primary insurer, in a few instances reported the trucker has had to go afield. This affords other companies the opportunity of taking the excess on promise of getting the primary coverage when it comes up for renewal. In some instances the excess has gone to Lloyds, particularly in the larger centers such as Chicago where Lloyds service is readily available.

In the last few weeks the movement of goods has leveled off somewhat, and

there is less bulging of transportation needs. The trucking industry is becoming better able to handle the increased flow of merchandise, is using bigger trailers, etc.

However, losses are higher generally than they were six months ago, mostly due to fire. Trucking lines are working equipment about twice as much as usual, and there is less time for good maintenance. Upset losses have not been so heavy because trucks and trailers are better made than they used to be. They won't break open so easily when they tip over, underwriters say. In addition, truckers have learned to load them better.

### Marine Insurers May Shed Shore Risk Liability

Discussions are being held these days between the marine and the fire interests on the idea of having the fire insurance departments assume the shore risks on a number of imported commodities that are insured by the marine companies from the point of shipment and until they are released in this country to commercial channels. The idea that the fire insurance companies should assume the shore risk apparently was prompted by the experience at Fall River, Mass., with rubber belonging to the Rubber Reserve Corporation. The federal government through various agencies is accumulating vast piles of various essential commodities such as wool and rubber. The Fall River experience woke the marine people up to a realization that these piles are being accumulated in enormous amounts and that the insurers had no true notion of just where their liability might be and in what amounts subject to one loss. The fire companies, presumably, would have a much closer check and would undertake to have the risk broken down where dangerously large accumulations are being made, as at Fall River.

### Luxury Tax, Higher Prices Call for Increased Values

Where personal property floater policies are coming up for renewal, values of various items are being increased by some agents to cover the 10 percent federal luxury tax. There has been an increase in price on certain items such as diamonds, and companies are getting reappraisals at renewal wherever they can.

The luxury tax applies to jewelry, fur coats, cameras, etc. On furs that do not depreciate rapidly, underwriters are permitting renewal at the same value, or at a value which does not reflect the usual reduction for depreciation, because of the tax. The tax can amount to a substantial sum where there are several items, or on single items worth \$500 or more.

#### Diamond Prices Up

Diamond prices have gone up, and this is being taken into account along with the tax in figuring values on jewelry items containing diamonds. War in Europe and defense in this country have both contributed to the diamond price increase. There is a great demand for small diamonds for use in industrial production, and insurance companies are discovering that the small diamonds

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have increased in price more, proportionately, than the larger ones. The half karat size that formerly were cut in Antwerp have increased considerably.

One company paid a claim the other day on the loss of a small diamond from a ring that originally cost \$100. There were 15 small diamonds in the ring, and only one was lost. Yet the replacement cost the company \$10, which was far out of proportion to the original price.

### Interpretation-Complaint Group Bares Fangs, May Move to Impose Penalties

NEW YORK—Because of "situations from which it appears that it may become necessary to invoke the penalty sections and impose fines," the Joint Committee on Interpretation and Complaint at its meeting here adopted a resolution directing the executive secretary to call the attention of signatory companies to the article dealing with penalties. The nature of the "situations" was not disclosed. In the eight years it has been operating the committee has never felt it necessary to impose a penalty. The resolution serves notice on any who might be contemplating violating the articles of agreement that the committee is going to take a much tougher attitude than in the past.

The penalty section of the agreement provides that any insurer adjudged by the committee to have violated the nation-wide definition and interpretation and/or the agreement itself shall be subject to a fine not to exceed \$1,000 for each violation, unless the committee's decision is modified or reversed by the insurance commissioners' committee on definition and interpretation of underwriting powers. Furthermore, any offender may be ordered and required by the committee to cancel any business written in violation of the definition and agreement and to remain off such risks for as long as the committee may determine.

The committee also amended its bulletin of June 13, 1941, which stated that bridge cranes, gantry cranes, whirling cantilever cranes, hammerhead cranes and other similar cranes, whether or not on stationary cranes or fixed bases, could be insured as marine or inland risks only if fire, tornado, sprinkler leakage, hail, explosion, earthquake, and riot and/or civil commotion were excluded. Under the new bulletin these cranes may be insured for all risks under marine forms, provided the cranes are used in direct connection with building or repairing ships. Cranes operating on standard gauge railway tracks, caterpillar cranes, tractor cranes and others which are of a mobile or floating type may be covered by marine policies without regard to their connection with shipyards.

### American Syndicate Election

The American Syndicate for Insurance of Foreign Hulls reelected its officers. W. B. Harwood was chosen chairman of the board; H. H. Reed, deputy chairman; D. C. Anderson, underwriter; E. W. Schuler, treasurer; N. S. Adams, secretary; S. D. Livingston, assistant secretary. The board of managers consists of J. W. Baker, Great American; H. H. Reed, North America; R. B. Jennings, Automobile; S. D. McComb, Glens Falls; H. E. Manee, U. S. Fire; Harold Jackson, Phoenix of Hartford; Hendon Chubb, Federal; J. S. Gilbertson, Hartford Fire; J. T. Byrne, Universal.

## MOTOR

### Theft Bureau Men Confer in Atlanta

ATLANTA—The Automobile Underwriters Detective Bureau will hold a three-day meeting of its field staff here

starting Dec. 4. A feature will be the burning of an automobile so that the field men can brush up on their qualifications as expert witnesses when questions of fraudulent burning of cars arise.

The gathering will start with a luncheon. J. H. Dillard, Fireman's Fund southern department, chairman of the Atlanta bureau's theft committee, will discuss "Problems confronting members with respect to total fire and theft losses."

C. R. Durden, assistant bureau manager, will talk on "Problems of tracing cars of which the bureau has no record, with particular emphasis on the minimum of information required by the bureau management."

"Protection afforded by automobile fire and theft insurance from the standpoint of the public," will be covered by M. R. McGruder, "Weekly Underwriter."

Harry P. Kane, supervisor, and Howard G. Coryell, assistant supervisor, automobile department Fire Companies Adjustment Bureau, will talk on "The adjuster's job in investigating losses."

"Handling of losses from the company standpoint" will be discussed by C. C. Cromwell, general adjuster southern department Hartford Fire.

V. W. McKinney, Jr., zone manager General Exchange and a member of the theft committee, will cover "What the theft bureau stands for and the results expected of it and its field men from the companies' standpoint." The following field men will speak: J. H. Clark, Homer Edgeworth, H. B. Freeman, Ralph E. Holcombe, George E. Holley, C. Kramer Roberts, S. E. Trantum, and J. A. Warren.

Manager Claude Patterson will deliver the final talk.

### Follow Up California Probe on Over-Charge by Dealers

SAN FRANCISCO—As a follow-up in his investigation of automobile business written by dealer and finance company agents and to make sure the millions of dollars in overcharges disclosed by these investigations are returned to policyholders, Commissioner Caminetti is sending out thousands of letters to policyholders to whom more than \$4,000,000 is now due as the result of investigation to date with indication there will be several more millions before the investigations are completed.

Two hearings with automobile dealers and finance company representatives were held here to discuss the new rules and regulations promulgated by Mr. Caminetti. Assistant Commissioner Fay presided. He declared that the rules would be strictly enforced.

Mr. Fay said that the department would prosecute where misrepresentations are indicated. More than 200 dealer and finance concerns are now making refunds and the department is following up every case.

### Seek Florida Financed Car Probe

PENSACOLA, FLA.—President Hunter Brown of the Florida Association of Insurance Agents has been assured by Commissioner Larson that he will render every aid possible towards better conditions for the agents in connection with insurance on financed automobiles. Mr. Brown estimates that Florida agents are deprived of \$3,000,000 a year in premiums by the practice of

controlling the insurance in connection with the financing of automobiles.

For submission to the commissioner Mr. Brown has asked for statements giving details on any cases of coercion along this line.

## CANADIAN

### C. S. Malcolm Is Reelected Dominion Board President

C. Stuart Malcolm, Montreal, manager for Canada of Royal Exchange, was reelected president of the Dominion Board at its annual meeting at Montebello, Que. Kenneth Thom, Western Assurance, Toronto, was elected first vice-president; and E. J. Kay, North British & Mercantile, second vice-president.

New council members elected for three years are: William Lawrie, Phoenix of London, Montreal; C. L. Marshall, Employers Liability, Montreal; W. R. Houghton, London & Lancashire, Toronto; J. B. Alexander, Canadian Surety, Toronto; P. A. Codere, St. Paul Fire & Marine, Winnipeg; one year, R. L. Stalling, Sun, Toronto, and W. E. Baldwin, Continental, Montreal.

### Much Interest in Oklahoma Mid-Year

(CONTINUED FROM PAGE 5)

Mrs. Hallie McCartney, El Reno, was given a big hand. She gave the first address by a woman local agent before the association. She is a member of the executive committee of the Oklahoma Capital Stock Insurance Council and devoted most of her remarks to extolling its merits and achievements. Eventually, she said, the council will employ a capable and forceful manager and speaker who will appear before various groups to explain stock insurance.

For nearly four hours Wellington Potter, Rochester, N. Y., held the attention of the group as he exploded his dynamic ideas for upholding the principles and premiums of stock insurance

in the face of the rising non-stock competition.

Addition Sessions, Okmulgee, called attention to the casualty insurance school at Oklahoma City, sponsored by the Oklahoma Capital Stock Insurance Council.

Of unusual interest was an "Information Please" forum conducted by Clairborne Davis of the Frates Company of Tulsa and a group of experts. A feature of this part of the program was the offer of a \$2 bill to the propounder of any question that could not be answered by this group. Questions were limited to those of general and educational character. Only one \$2 bill was paid out, to President Daniel.

Before adjourning the association adopted a resolution opposing any method of taxation which creates inequality between insurance companies doing the same kind of business. Copies of the resolution are being sent to Oklahoma's senators and representatives, asking immediate legislation to equalize this necessary tax burden.

Lewis Morris, county attorney for Oklahoma City, was key speaker at the banquet given the first evening, supplementing the entertainment furnished by the Oklahoma City Insurers Exchange.

A special luncheon for the ladies, followed by bridge, was given with the compliments of the Enid Insurers Exchange.

Among the distinguished guests were J. H. Macfarlane, secretary, and L. J. Feeney, assistant secretary of America Fore, Chicago; Victor Henry, Wichita, president Kansas association; Bailey T. Turner, North America, St. Louis; Dan C. Layton, Home of New York, Houston; Douglas Gladwin, Automobile, Houston; C. Claussen, western manager London & Lancashire, Chicago; C. N. Burr, Eagle Star, Kansas City; J. S. Bosdett, regional manager Royal-Liverpool group, Kansas City, and Roy Wessendorf, Springfield Fire & Marine, Chicago.

C. L. Bearley, superintendent automobile department of General Accident, and John T. Orr, superintendent compensation and liability department, visited the Pacific Northwest, beginning a tour of the coast field. They will spend some time in San Francisco and Los Angeles, returning to Philadelphia by way of New Orleans.

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